



February 10, 2023

Patrick Woodcock
Commissioner
Department of Energy Resources
100 Cambridge St #1020
Boston, MA 02114

RE: Ten Community Demonstration Project

Dear Commissioner Woodcock:

The Massachusetts Coalition for Sustainable Energy (MCSE) represents twenty-two of the Commonwealth's largest statewide business and employer organizations, labor unions, regional chambers of commerce and economic development councils. We thank you for your commitment to addressing the Commonwealth's energy needs and for this opportunity to offer our comments.

The passage of landmark climate legislation last year, Chapter 179, established a demonstration project which permits up to ten municipalities to restrict or prohibit the use of fossil fuels in most construction or major renovation projects. The MCSE is grateful to the Legislature for acknowledging our concerns and those of others that a fossil fuel-free demonstration program, without appropriate restrictions and guidelines, would hamper the Commonwealth's job creation prospects and overall economic competitiveness.

To that end, we were encouraged that the Legislature wrote into law thoughtful and meaningful guardrails, benchmarks and data requirements around the operation of any such project. In particular, we were pleased that the will of the Legislature was very clear with respect to reporting requirements around housing affordability and production, utility costs and emission impacts, with Section 84(e) stating that "The department shall collect data from cities and towns approved under this section to monitor impacts on ... emissions, building costs, operating costs, the number of building permits issued and other criteria as set by the department ... and the secretary of housing and economic development."

Consistent with this approach, the MCSE encourages you to be explicit in requiring that communities seeking to participate in the project clearly demonstrate to the Department the plans, methods and forms they will use to satisfy these compliance reporting requirements relative to emission impacts, building and operating costs, and housing affordability. In light of the Commonwealth's continued housing shortfall—as well as the pace at which electricity costs continue to rise in New England—we urge you to ensure that any community unable to provide such plans and forms to the Department's satisfaction be ruled ineligible to participate in the demonstration project.

We also urge the Department to ensure communities applying to participate in the demonstration project certify with their electric provider that the provider can adequately supply the municipality with the electrical power that will be needed in the absence of gas for heating and cooking. We are concerned that electrical distribution infrastructure in some communities contemplating this demonstration project may not be adequate to support commensurate load demand increases that this program will realize, effectively leaving no recourse to new home or commercial builders. Any such inadequacy should be known and remedied before any community is considered eligible.

Specifically, the Department should also be aware that builders and contractors are currently experiencing substantial delays in being provided transformers that are needed to distribute electricity to new subdivision and large building projects. Supply chain disruptions are leading to transformer delays of up to 18 months which causes electric distribution companies to similarly delay power connections.

Finally, it is possible that some communities electing to participate in this program will ultimately decide to exit the demonstration project. We think it is important for the Department to develop a community exit methodology so that participating communities know not just what is required to enter the demonstration project but, should any wish to terminate its participation, what is required for its homes and businesses to connect to natural gas service.

There are real world construction and economic development implications in the Commonwealth should we fail to get the implementation of this demonstration project right. Already as communities have contemplated such bans, our members have shared with us concerns about everything from the reliability of police and fire emergency services in our communities (many of which currently rely on fossil fuel generator backups), to year-plus wait times for essential electric distribution apparatus such as transformers due to ongoing supply chain challenges, to canceled orders small businesses are experiencing in trying to meet the heating needs of new multifamily apartment construction.

Collectively, while we have made progress, much work remains as we move toward a clean energy future. With so much at stake, it is essential that policymakers understand the implications of this demonstration project and what it means for not simply these ten municipalities but, indeed, every community in the Commonwealth.

We thank you again for this opportunity and look forward to our continued partnership in the year ahead.

Sincerely,





Cc; Governor Maura Healey
 Lt. Governor Kim Driscoll
 Attorney General Andrea Campbell

Secretary Rebecca Tepper
Secretary Melissa Hoffer
Speaker Ronald Mariano
Senate President Karen Spilka
Representative Jeffrey Roy
Senator Michael Barrett