

City of Cambridge Executive Department

January 9, 2023

To the Honorable, the City Council:

I am writing to inform you about recent State activity relevant to the Cambridge Net Zero Action Plan. The Plan aims to phase out greenhouse gas emissions from buildings in Cambridge in support of the City's commitment to achieving carbon neutrality by 2050. Action Item 2.1 of the Plan lays out a pathway to reach net zero emissions from new buildings. The state Department of Energy Resources (DOER) has released an updated Stretch Energy Code and created a new Specialized energy Code to decrease energy use in new buildings and major renovations. Additionally, on August 11, 2022, Governor Baker signed an Act Driving Clean Energy and Offshore Wind, which includes a Municipal Fossil Fuel Free Demonstration Project to restrict the use of fossil fuels in new buildings in ten Massachusetts communities. Adoption of these new policies will require City Council action, and together will enable significant progress toward the Net Zero Action Plan goals. I have been working with Assistant City Manager for Community Development Iram Farooq and City Solicitor Nancy Glowa, and below we set out next steps.

Stretch Energy Code and Specialized Energy Code

New buildings and major renovations are currently regulated by both <u>Article 22</u> of the Zoning Ordinance and the state Building Code and Stretch Energy Code. The Cambridge City Council adopted the Stretch Energy Code on December 21, 2009 and it went to effect on July 1, 2010. Since its adoption, the Stretch Energy Code has been updated a number of times by the state and those updates have automatically taken effect in Cambridge.

The latest update to the Stretch Energy Code begins to take effect for residential buildings in January 2023 and commercial buildings in July of 2023 and represents a significant improvement over the previous version. In particular, the 2023 Stretch Energy Code requires large increases in building energy efficiency that will lead to significant reductions in energy demand for heating and cooling. For an overview of the changes, see the <u>presentation</u> given at the November 16, 2022 meeting of the Health and Environment Committee, and for the full language see the state's <u>website</u>.

In addition to the Stretch Energy Code, per <u>An Act Creating a Roadmap to Net Zero by 2050</u> the state has created a new "**Municipal Opt-In Specialized Stretch Energy Code**" (Specialized Energy Code).



The Specialized Energy Code adds to the updated Stretch Energy Code by requiring new buildings that use

fossil fuels to be pre-wired for full electrification and to install solar panels where possible (see full language here).

Similar to the original Stretch Energy Code, the City Council must vote to adopt the Specialized Energy Code, from which point on future updates are automatically applied. DOER has provided <u>guidance and model language</u> for the adoption process. A community must adopt the Specialized Code "as-is," without applying any amendments or conditions, and in full. The state has recommended an effective date of January 1 or July 1, beginning 6-12 months after adoption. The state also advises cities to adopt the Specialized Energy Code by general ordinance, and City staff can prepare a proposed ordinance if the Council wants to move forward with this option.

Fossil Fuel Free Demonstration Project

Building off of the Stretch Energy Code and Specialized Energy Code, per An Act Driving Clean Energy and Offshore Wind, the state has also begun the regulation and model rule development process for the "Fossil Fuel Free Demonstration Project" (Demonstration Project). The Demonstration Project allows accepted communities to modify the Specialized Energy Code to prohibit the use of fossil fuels in new building construction or major renovation projects (with the exception of research laboratories and health care facilities). Having submitted a home rule petition with the general court on April 6, 2022, Cambridge is number six on the list of ten "Prioritized Communities" to apply to participate in the Demonstration Project.

Staff are in the process of reviewing <u>draft regulations and a model rule</u> released by the state on December 23, 2022. Written comments to DOER are due on February 5, 2023 and a virtual public hearing for verbal comments is scheduled for February 8. The draft regulations lay out the proposed process for applying to participate in the Demonstration Project: a Letter of Intent would be due from Prioritized Communities by September 1, 2023, and the full application would be due by November 10, 2023. The model rule would include the opportunity for municipalities to set the effective date of the requirement and make other adjustments. More detailed guidelines for the Demonstration Project are expected once the regulation and model rule are finalized by June 30, 2023 as required by the statute.

Public Engagement

Together, these state energy code options and local fossil fuel free authorization represent important progress towards the Net Zero Action Plan goal of achieving net zero emission new construction. They could also impact a wide range of building owners and developers who are planning for new construction or major renovations. The recent process to update the Net Zero Action Plan included targeted and general engagement, including the recommendation to pursue adoption of the Specialized Energy Code and fossil fuel restrictions. Now that the codes have been officially published and more information about the Demonstration Project has been released, we plan further outreach and public education about the Stretch Energy Code, Specialized Energy Code, and Demonstration Project. These will include:

- A public informational forum in late February/early March
- Information in the CityView Magazine to be mailed to every household in mid-February
- A press release with targeted media outreach
- Digital outreach strategies:
 - o A website with links to the State's information
 - News items

- o Include in City Daily Update Emails
- Social media posts
- o Include in scheduled department newsletters
- o Targeted outreach to impacted stakeholders

Very truly yours,

Yi-An Huang City Manager