



June 25, 2020

The Honorable Robert DeLeo  
Speaker of the House  
State House, Room 343  
Boston, MA 02133

The Honorable Aaron Michlewitz  
Chair, Jt. Ctte. on Ways and Means,  
State House, Room 243  
Boston, MA 02133

RE: Opposition to S2500, An Act Setting Next-Generation Climate Policy

Dear Speaker DeLeo and Chairman Michlewitz,

We hope this letter finds you, your staffs and your families healthy and safe. As you know, legislation was advanced earlier this year by the Massachusetts State Senate to address the Commonwealth's carbon emissions reduction objectives and benchmarks. Representing twenty of the Commonwealth's largest business, employer, housing, labor and trade associations we recognized then, as now, the importance of advancing our climate leadership and the urgent need for bold action. However, after reviewing in depth S2500, An Act Setting Next-Generation Climate Policy—and in light of the many consequences of the ongoing pandemic—we believe the bill would have negative environmental consequences for the Commonwealth while seriously exacerbating our housing costs and affordability challenges at a moment when our economy already faces a sharp downturn in productivity.

The Commonwealth's national leadership confronting the realities of climate change is no accident. Enactment of the Green Communities Act (GCA) and subsequent amendments as well as the Global Warming Solutions Act (GWSA)—requiring an 80% reduction from 1990 levels in the Commonwealth's carbon emissions by 2050—were groundbreaking laws. In particular, the GCA's establishment of a robust renewable energy incentive and grant program, funded by tariffs on consumer utility bills, has proven to be among the most successful in the nation. Each of these laws required large and sustained increases in procurements of renewable power year after year. And while the practical emphasis has been on power generation emissions, the laws were written to evolve and incorporate new technologies in other sectors over time. Most important of all, both measures were enacted with bipartisan and bicameral majorities in the Legislature and in the case with the GCA in particular, with strong support from the business, labor and employer communities.

For the last three years, our Coalition has sought to advance a balanced, sustainable energy policy that increases our supply of clean energy and lowers emissions by ending our reliance on the dirtiest fuels, like oil and coal. At the same time, we also recognize that low-emitting sources of energy like natural gas have important and positive roles in reducing emissions where renewable sources cannot fill the void.

As such, we continue to support the GCA and the GWSA. Regrettably, S2500 would effectively supersede this highly effective framework that has had robust support from so many constituencies.

Specifically, S2500 proposes to:

- a. **Establish a carbon tax** (“market-based incentive program”) for all market sectors that emit carbon – power generation, transportation and buildings. The tax is not required to be revenue neutral.
- b. **Adjust emissions benchmarks to new five-year thresholds** until 2050 and mandated to be net zero after 2050.
- c. **Create an independent Climate Change Policy Commission** with nine members – two appointed by the Attorney General, six by the Governor and feature the EEA Secretary as ex officio Chair. While the legislation mandates that several disciplines be represented, including academia and engineering, there is no required business, labor or employer community representation on the Commission.
- d. **Make public information on all building energy usage** by charging the Commission with developing a process that will publish the annual energy usage of almost all buildings in the Commonwealth. The bill requires some privacy protections but does not specify what they are.
- e. **Grant the Commission authority to conduct hearings and undertake inquiries** as well as issue findings and compel testimony.

Were this framework to become law, this legislation would complicate a successful platform that has made Massachusetts an emissions reduction leader—brought about by a broad, collaborative process—with unproven policy and a more complex accountability structure. This is marked contrast to the Commonwealth’s major and successful policy shifts – which have generally focused on technologically realizable and affordable policy prescriptions and a transparent and inclusive process to get buy-in from affected stakeholders.

We believe the Commonwealth should build upon the successful framework currently in place to leverage scalable, economically feasible and demonstrably practical short- and long-term approaches to reduce emissions sustainably. Specifically:

- **A carbon tax should be voted upon and enacted only by the Legislature.** We agree that it is critical to incentivize the use of clean technologies. But such a significant step should not be decided and implemented by a consortium of bureaucracies with opaque accountability. Already, carbon emissions from the power generation sector are taxed as part of the Regional Greenhouse Gas Initiative (RGGI). In addition, the Transportation and Climate Initiative (TCI)—effectively, a regional fee on carbon emissions from the transportation sector—would incentivize the switch to electric vehicles. Absent affordable options to transition to zero carbon home, business and transportation technology, many businesses and residents could be left paying these fees for a long time. Any market incentivization that successfully addresses carbon will be clear in its costs and demonstrable in its support by the Commonwealth’s elected representatives and voters.

- **The bill makes unrealistic assumptions about the costs and availability of clean technologies.** S2500 presumes that technology that either does not yet exist or is in the very earliest stages of development is ready to scale to industrial levels now or very soon. For example, in communities where natural gas hookup moratoria have been imposed we have seen heat pump sourcing fail as a scalable, reliable heating alternative. This is in part because of consumer preference but largely due to technological limitations, especially in multi-family housing and large building development. The result has been a proliferation of propane-sourced heating and a halt in oil conversions, leading to increased emissions and costs.
- **The bill would jeopardize the Commonwealth's goals for sustainable housing and economic growth.** Nowhere is this legislation potentially more counter-productive than in the area of housing production, smart growth development, and our ability to leverage dense, clustered development around transit facilities and multi modal transportation nodes. Indeed, the events of the past few months have demonstrated the depth of our economic security challenges in the Commonwealth – all of which are exacerbated by the high cost of housing. Unfortunately, S2500 would complicate our efforts to make progress on these issues by granting power to influence the state building code to an unaccountable commission, with little or no understanding of the challenges and costs required to build housing, commercial facilities or develop land in the communities that need it most. This provision could reduce investment by the private sector, increase building costs, drop inventory and stifle housing production, slowing economic recovery and complicating efforts to develop “shovel-ready” housing projects. While better understanding energy usage is important, new bureaucracy with the arbitrary authority to “name and shame” the energy consumption habits of private citizens will fuel resentment, not responsibility. Recovering sustainably and equitably from the economic harm associated with the ongoing pandemic will be one of the most difficult and complex challenges faced in modern history and will be made more difficult by this provision.
- **The absence of business, employer and labor representation in the proposed Climate Commission is a huge missed opportunity.** If S2500 is to be successful, constituencies that are important to any successful environmental and economic legislation—especially those who actually build the homes and supply the heat that keep consumers warm in winter and cool in summer—must be at the table.

Ultimately, we believe this bill would harm consumers and businesses and undermine our smart growth objectives at a time our economy can least afford even the smallest step backwards – without making the meaningful emissions reductions we need to reverse the effects of climate change.

This is a challenging moment for all of us. Massachusetts has always been strongest when we work together to solve difficult problems – with shared goals and shared responsibility. That is what is needed today – and on this urgent issue, we urge you to do so again.

We hope you and your families stay safe and look forward to working with you going forward.

Sincerely,

Mass Coalition for Sustainable Energy



**Associated Industries of  
Massachusetts**



**Cape Cod Canal Region  
Chamber of Commerce**



**Greater Boston Chamber  
of Commerce**



**Greater Boston Plumbing  
Contractors Association**



**Home Builders and  
Remodelers Association  
Of Massachusetts**



**Massachusetts Business  
Roundtable**



**Massachusetts High  
Technology Council**



**The Massachusetts  
Laborers District Council**



**NAIOP Massachusetts**



**National Federation of  
Independent Business**



**Neponset River Regional  
Chamber**



**North Central  
Massachusetts Chamber  
of Commerce**



**North Shore Chamber of  
Commerce**



**One SouthCoast Chamber**



**Plumbers & Gasfitters  
Local 12 Boston**



**Retailers Association of  
Massachusetts**



**Sandwich Chamber of  
Commerce**



**Springfield Regional Chamber**



**United Regional Chamber  
of Commerce**



**Western Massachusetts  
Economic Development  
Council**



**Worcester Regional Chamber of  
Commerce**