To: Zoning and Planning Committee

Cc: Mayor Fuller, Jonathan Yeo, Barney Heath, Josh Morse, Jen Caira, Jonah Temple, John

Sisson, John Lojek, Anthony Ciccariello, Andrew Lee

From: Ann Berwick

Re: Ten Communities Program, Proposed Electrification Ordinance, and the Specialized

Code

Date: March 22, 2023

This memo is intended to explain (1) some of the details of the Ten Communities Program; and (2) the relationship among the Ten Communities Program, the proposed Electrification Ordinance (attached), and the Specialized Code (i.e., the more stringent, opt-in version of the Stretch Code).

Parts of this memo will look familiar because the memo is an update to an earlier memo that addressed only the Ten Communities Program and the Specialized Code, not the proposed Electrification Ordinance.

Ten Communities Program and the Proposed Electrification Ordinance

As you know, a number of cities and towns filed Home Rule Petitions with the Legislature over the last few years, seeking authority to require all new construction and substantial renovations to be all or mostly electric. Rather than acting on the Petitions, the Legislature passed a statute that provides the requested authority to the first ten communities that filed such Petitions. Newton is one of the first ten. (Boston is also one of the ten.)

The Department of Energy Resources (DOER) has now published its <u>proposed</u> <u>regulations</u> and <u>model rule</u> on the Ten Communities Program. Communities that intend to participate must submit a letter of intent to do so to DOER not later than September 1, 2023.

The regulations require that the communities submit application materials in order to qualify for participation. Among other things, the applications materials must include:

- a copy of the proposed Ordinance ("proposed" in that it is proposed to DOER, but has been passed by the City Council), with an explanation of any differences from the Model Rule;
- an implementation plan;
- description of any exemptions or waiver process;
- documentation sufficient to demonstrate compliance with one of the three housing production eligibility thresholds set forth in 24.05(1)(c).

Notwithstanding being one of the first ten, Newton has to address the following issues in order to qualify to participate:

- The City must meet the affordable housing requirements specified in the applicable legislation. The City's Planning Department is optimistic that we will be able to do so ahead of September 1, most likely by meeting the 10% housing affordability requirement under Chapter 40B of the Massachusetts General Laws.
- If a Community determines that adoption of a local ordinance that differs from the Model Rule is necessary, the Community must describe the differences and the rationale for the differences. Newton's Home Rule Petition and DOER's Model Rule are indeed different.
 - The most significant difference is that Newton's Home Rule Petition covered only residential buildings and small non-residential buildings (i.e., less than 20,000 square feet, any portion of which is used for commercial, retail, office, professional, educational, or other non-residential purpose). By contrast, the Model Rule includes commercial buildings over 20,000 square feet. It will certainly be impermissible to exclude large commercial buildings.
 - Additionally, Newton's Home Rule Petition included a waiver provision. As a result
 of discussions with the Inspectional Services Division, we concluded that the waiver
 provision would be virtually impossible to implement, and eliminated it.

There are two other respects in which Newton's Home Rule Petition differs from DOER's Model Rule, but I think those are less problematic.

The first of these is that DOER's regulations do allow communities to propose exemptions, but they do not specify what exemptions may be acceptable. Newton's Home Rule Petition provides for a variety of exemptions, including freestanding outdoor heating and cooking appliances that are not connected to the building's natural gas or propane infrastructure, and back-up power. Newton's Home Rule Petition also exempts certain centralized domestic hot water systems in larger buildings.

I don't know for sure, but I doubt Newton's proposed exemptions will be a barrier to our participation in the Program. I have asked DOER to tell us whether they anticipate that Newton's proposed Electrification Ordinance will be approvable, and also their view of whether commercial cooking might be an additional approvable exemption.

The other difference between Newton's Home Rule Petition and the Model Rule is that, pursuant to the applicable State legislation, the Model Rule requires that communities include exemptions from fossil fuel-free requirements for both laboratories and medical facilities. In that regard, the Newton Home Rule Petition exempts only Newton Wellesley Hospital. Since the laboratories/medical facilities provisions are requirements of State legislation, the ordinance that Newton adopts will have to adopt these provisions.

Ten Communities Program and the Specialized Code

DOER "recommends" (DOER doesn't have statutory authority to impose this as a requirement) that the communities that want to participate in the Ten Communities Program adopt both the Specialized Code and the Model Rule (or an ordinance that substantially reflects the requirements of the Model Rule). Newton has already adopted the Specialized Code.

DOER's recommendation in this respect makes sense for a number of reasons, including that the Specialized Code and the Model Rule need to be integrated because the Specialized Code specifies certain compliance pathways that allow the use of fossil fuels, in contrast to the Model Rule. One way to think about this is that the Model Rule provides a variant of the Specialized Code for communities that participate in the Ten Communities Program.