

Newton Citizens Commission on Energy

City of Newton

<https://www.newtonma.gov/government/climate-and-sustainability/citizens-commission-on-energy>



Mayor Ruthanne Fuller

Halina Brown (Chair), Michael Gevelber, Stephen Grody, Philip Hanser, Asa Hopkins,
Jonathan Kantar, Jon Klein, James Purdy (Vice Chair), Puja Vohra,
Ann Berwick, William Ferguson (*ex-officio*)
Advisory Members: Cory Alperstein, Fred Brustman

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Minutes of the Meeting of February 23, 2022

The meeting was held on Zoom.

Attending: Halina Brown, Michael Gevelber, Stephen Grody, Philip Hanser, Jim Purdy, Puja Vohra;
Cory Alperstein, Philip Vergragt; Council President Susan Albright, Councilor Alicia Bowman,
Councilor Bill Humphrey, Councilor Pam Wright

[The meeting was recorded on Zoom.]

Halina noted that there was no mention of climate action in the Mayor's state of the city address, except bicycling improvements and equipping new city bldgs. with heat pumps.

Halina said that NCCE needs to respond to DOER's proposed stretch code.

She proposes that we sign the letter as the commission, and encourage individual letters as well.

Jim will communicate with Jon Kantar to put together a letter for the commission to sign

Building Electrification Accelerator (BEA) wrote long letter in critical of the proposal, and it is asking for local officials to be co-signers of their letter. Councilor Bowman has already signed it; she said we can expect many rezoning proposals in zoning in the 175 communities. Gas leaks are important and gas infrastructure.

Cory suggested that we sign on to BEA's letter individually and also as NCCE letter.

Cory in chat:

<https://docs.google.com/document/d/1CaB42soBZOdVcu89uvUNQCtcYWaOSSCi/edit>

Agenda: The entire agenda was spent on BERDO –

Michael presented his analysis of BERDO to the Chamber Environmental Committee last Friday; it was well received by them. Greg Reibman attended, he raised issues, but Michael found his input open-minded. Greg Reibman said he gets asked all the time about the Climate Action Plan.

We need to develop more specifics on a BERDO for Newton.

Michael gave the presentation. Highlights:

– BERDO is complicated.

- non res bldgs. by size : 112 commercial buildings account for 12% of Newton's total emissions

- 42% of their emissions are from electricity, which is easy to make green by switching to renewable sources.

-There are also 120 large multifamily residential buildings; they contribute 4.3 % of Newton's total emissions

Boston's BERDO 1.0 started 2013 – it required annual reporting, but didn't drive reductions in emissions

Boston BERDO 2.0 has performance standard for existing large building, with penalties. The standards are tightened every five years.

There are many pathways: 13 building use categories with specific five-year thresholds from 2025-2050

Pathways are energy efficiency specific to the building type, each with combinations of electric and gas reduction, fuel switching, procuring renewable electricity; there is also an Alternative Compliance Path , i.e., owners will pay the ACP, \$234/mtCO₂e. The ACP is based on incremental abatement cost. So owners need to think about how to get under their BERDO limit or else make large payments.

Michael showed data from his study at Boston University

He estimated costs for university buildings of \$124/MT for replacing fossil fuel systems with electric. The study asked: is this enough to drive change?

The study concluded that the available alternatives are cheap enough (\$1-2/sf/year) to incentivize these changes.

BERDO 2.0 sets compliance levels by building type: declining levels of CO₂e/sf/year with reductions in increments of a few years . You pay the ACT if you are over the compliance level for that time period.

Boston and Cambridge are doing it.

BU has a long runway to 2039 when the BERDO standards begin to bite.

Phil Hanser asked: will conversion to all electric heating be sufficient to meet BERDO standards by 2050? And will costs be feasible?

Michael also said, who knows what the electricity costs will turn out to be after offshore wind is fully developed, but it should be lower than current rates.

Stephen asked, are the BU numbers actual consumption without RECs? Michael said BU's power purchase agreement RECs are being retired, so the answer is yes.

Jim asked if BU's experience is representative of Newton? Michael says yes.

The estimates he did for Newton come very close to utility actuals, so the estimated numbers are accurate. It is easier to begin with non-residential commercial buildings, addressing large multifamily buildings second. This analysis gives comfort that BERDO would be feasible in Newton. Also, Newton is an order of magnitude simpler than Boston, which has a much bigger set of buildings.

Michael said Newton City staff should be talking to Cambridge and Boston staff; We can learn from their experience.

Michael has made a list of questions for discussion with the Chamber and others.

- which are the major issues?
- would a working group help alleviate concerns?
- which owners will step forward to be the leaders?
- how many of the institutions in Newton have developed climate action plans?
- how can Newton learn from Boston, (which did not have substantial nay-sayers?)

Newton's BERDO would need to address only around 120 buildings, including the City's public school buildings.

The basic data is already in the Newton Assessor's' database.

Phil Hanser said, we should focus on the biggest owners.

Councilor Albright asked, what would it cost to fix the problem for Newton schools? Michael said a large part of the school emissions are due to the electrical power used, and they could be addressed through switching to renewable power, similar to Newton Power Choice.

Michael said we can compare mitigation costs to \$234 per mt CO₂e.

The City (like other owners) needs to make a commitment and then develop a capital improvement plan.

Councilor Bowman said: look at it in terms of what we can achieve by converting to clean energy – i.e., what is the opportunity cost?

Michael replied: energy efficiency pays for itself. But we have worked with the School Department, and we found it is hard to do it in the schools, because they have competing priorities. At BU, the accrued savings go into a "green fund".

Phil Hanser said he talked to Building Commissioner Josh Morse about schools; they have state regs to comply with, e.g., for instantaneous hot water; which puts the school system in a ridiculous position. Other state regs are similar.

Halina said, the City currently sells the solar power we generate and use the profit to buy cheaper brown power; minimizing cost is not the right objective to be using.

Phil added, but we could also use the revenue from selling solar power for other emissions reductions. Stephen disagrees – he see it as an accounting fiction, not a real reduction. Councilor Humphrey agrees. Councilor Albright said: for the upcoming budget season, we should do some research on this topic.

Michael said Bill Ferguson has done a lot of work on energy efficiency . Councilor Albright said, so we should talk with Bill about this. She also asked where does the revenue from solar get used? We need to check with the Mayor.

Halina added that Bill has a detailed record of money spent and money saved from efficiency efforts; he can do the analysis

Councilor Albright said, we can't ask private sector to do work unless the city does it as well.

Halina posed the question: how can NCCE work on this?

Councilor Albright said, the Council will be discussing how to deal with BERDO. Can we get a general commitment before we develop an ordinance? We should use Boston's experience. She thinks the best strategy is to first work with the major building owners and get them on board before the Council passes an ordinance. Councilor Bowman agrees with this approach.

Michael said, at BU, the president called for a CAP in 2017, then he brought it to the BERDO effort. He added that major institutions in Boston have voluntarily worked under their Green Ribbon Collaborative for several years.

Councilor Albright proposed to start with a Council determination to create a BERDO, and go to the business owners with that in hand.

Halina noted that Jon Klein has already been working with the owner of the Wells Avenue buildings. So we can we get to all the major owners in Newton in 3-4 months.

Councilor Humphrey has concerns about that strategy, because the Council is a legislative body, not the executive; he thinks that the opponents will drag their heels past the election and try to get the new Council to reverse it. He is not sure how to pass a commitment in a binding way.

Stephen said it is in the Council's purview to pass a framework for the administration to fill in, and we already have staff, e.g., Ann Berwick, who have the capability to do this. Councilor Humphrey agrees.

Councilor Albright said we need to see what BERDO 2.0 entails. Councilor Bowman said we need to start with the data phase – pass an ordinance to collect the data, i.e., BERDO 1.0..

Philip Vergragt said, BU has had a CAP since 2017, which led to their compliance with the BERDO 2.0 performance standards; so it is better to first communicate to the businesses the overall intent, and get them to create their own CAPs. The Administration needs to take the lead on this before Council adopts performance standards.

Michael responded that that would be good, but it takes a long time to develop a CAP. Better to adopt the Boston framework subject to review by the Council. It needs careful thought, but don't provide an way for owners to delay. Halina agrees. And she said the Mayor should take the leadership role.

Councilor Albright said she supports the work being done by Ann and Bill. She asked, who owned the Boston Green Ribbon Collaborative. Michael responded that the idea came from the Boston Foundation - outside the city government – and that got the ball rolling. Each group (health care etc.) set their own goals and presented them to the whole Collaborative.

Cory said, we don't have that amount of time left. We should start by telling the owners that the City will be requiring their data input. So BERDO 1 needs to go forward on a quick timeline.

Michael responded, yes, but include a timetable for both BERDO1 and BERDO2.

Councilor Albright said Ann's time frame is 1 year for BERDO 1 and a second year to establish BERDO 2.

Halina responded: so how will the time be spent? Councilor Albright answered: to get the building owners on board.

Philip Vergragt said, the City has to take the lead. We need to get the Mayor to push it forward.

Stephen said the NCCE feels that Ann's timeframe is too timid; we need "directionally correct decision making", not a regulatory approach.

Cory said she doesn't see the commitment by the City to move this forward. The Mayor needs to be the face of the project.

Councilor Albright said she will be talking with Councilor Crossley tomorrow. Councilor Humphrey agrees with Cory, that we need more urgency. And it can't happen behind closed doors. It's a political goal and that requires political leadership. It's not a surprise if we get push back. We're so far behind where we need to be.

Halina compared this to the original CAP done by the NCCE; we put it in front of the City, which couldn't ignore it. The point is: (1) we need the Mayor's personal commitment, and (2) we need to hire a consultant as project coordinator.

Philip Vergragt said, re Cory and Michael's points, there has been conversations with engineering firms about where they are in terms of making these needed changes. It's not so much a question of buy-in. In Newton it shouldn't take as long as it did when Boston got started. Companies have goals that they need to achieve. MEB (?) estimated that half of Massachusetts building stock can achieve electrification in five years; they are already planning to do it.

Councilor Albright responded, then why is NWH complaining? Phil Hanser said, it's a lot about their hot water requirements and the capital investment needed to change systems. Plus, there are state regs on backup systems. It all makes them more dependent on gas. They should consider storage alternatives.

Stephen said, part of this is the political problem, and part is the appearance; perhaps there should be a second person with a direct report to the mayor; he suggests Councilor Bowman in that role. That shouldn't require more staff resources, and creates an important message.

Councilor Albright pointed out that every committee chair meets regularly with the Mayor.

Councilor Bowman said, it's important for the Mayor to make a commitment, but this is in the purview of the Council. Plus, many councilors wouldn't want their role usurped. She agrees with the idea of engaging a consultant with the right experience.

Councilor Albright said, Ann and Bill are requesting consultant budget in current round. We need to talk with Ann, who will be back from vacation in a week or two.

Stephen said, we need to map out a strategy, and to reconcile this meeting with others.

Halina told the Councilors that we're there for you if you need our support. It's part of our job to have your back and support the political process.

Michael will send a link to the Boston BERDO to Councilor Albright.

Halina said, Puja is back now, and she can direct us to the first ten businesses, the most promising ones.

Michael said he thinks that is right, but there will be a fair amount of work to get those businesses on board. We need multiple paths – Chamber, owners, etc.

Michael said, we should include a timeline in the ordinance – say 5 years for data, but include both BERDO1 and BERDO2.

Puja agreed with this approach, and she made suggestions:

NCCE has ability to gather the key information; we need to learn what owners are currently doing. Then divide them into tiers – the first tier owners require individual conversations. Then 2nd and 3rd tiers can be approached via a survey/questionnaire coming from the Mayor. Get data about their building stock, where they are on their climate action plan, and sort it into 1st, 2nd, and 3rd year action. Michael agreed with that approach, but he thinks it may be too big a job.

Halina pointed out that engagement with the business community took a hiatus during Covid; it is time to re-engage.

The meeting was adjourned at 9:15 pm.

Respectfully submitted by Jim Purdy