HOUSE DOCKET, NO. 3593 FILED ON: 2/19/2021

HOUSE . . . . . No. 3350

The Commonwealth of Massachusetts

PRESENTED BY:

Joan Meschino

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to building energy and decarbonization.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Joan Meschino	*3rd Plymouth*	*2/19/2021*
Carolyn C. Dykema	*8th Middlesex*	*2/22/2021*
Tami L. Gouveia	*14th Middlesex*	*2/24/2021*
Kay Khan	*11th Middlesex*	*2/25/2021*
James M. Murphy	*4th Norfolk*	*2/26/2021*
Tommy Vitolo	*15th Norfolk*	*2/26/2021*
Lindsay N. Sabadosa	*1st Hampshire*	*2/26/2021*
Michelle L. Ciccolo	*15th Middlesex*	*2/26/2021*
Kate Lipper-Garabedian	*32nd Middlesex*	*2/26/2021*
Jessica Ann Giannino	*16th Suffolk*	*2/26/2021*
Thomas M. Stanley	*9th Middlesex*	*3/7/2021*
Elizabeth A. Malia	*11th Suffolk*	*3/15/2021*
James B. Eldridge	*Middlesex and Worcester*	*4/25/2021*
Marc R. Pacheco	*First Plymouth and Bristol*	*5/10/2021*
Steven C. Owens	*29th Middlesex*	*5/14/2021*
Danillo A. Sena	*37th Middlesex*	*6/16/2021*
Frank A. Moran	*17th Essex*	*7/21/2021*
Natalie M. Higgins	*4th Worcester*	*7/21/2021*

Jon Santiago	*9th Suffolk*	*7/22/2021*
Marcos A. Devers	*16th Essex*	*7/22/2021*
David Henry Argosky LeBoeuf	*17th Worcester*	*8/3/2021*
Dylan A. Fernandes	*Barnstable, Dukes and Nantucket*	*12/6/2021*
Christine P. Barber	*34th Middlesex*	*12/13/2021*
Jack Patrick Lewis	*7th Middlesex*	*12/13/2021*
Natalie M. Blais	*1st Franklin*	*1/24/2022*
Erika Uyterhoeven	*27th Middlesex*	*1/31/2022*

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HOUSE . . . . . No. 3350

By Ms. Meschino of Hull, a petition (accompanied by bill, House, No. 3350) of Joan Meschino and others relative to building energy and decarbonization. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act relative to building energy and decarbonization.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 13 of Chapter 23J of the General Laws is hereby amended by adding the following section:-

(c) The Center shall appoint and convene an advisory body to guide the program's effort that shall meet not less than four times each year. The advisory body shall review and provide feedback on the implementation of the clean energy equity workforce and market development program and shall develop targets for increasing participation of populations named in subsection (a).

The advisory body shall be comprised of: (i) the chief executive officer of the of Massachusetts Clean Energy Center or their designee who shall act as chair; (ii) at least one resident of environmental justice communities from each county in the Commonwealth; (iii) at least one certified minority-owned small business enterprise that performs clean energy services; (iv) at least one certified woman-owned small business enterprise that performs clean energy

services; (v) one representative from a racial justice organization; (vi) one representative of a community college located in an environmental justice community; (vii) one representative of the MassHire State Workforce Board; (viii) one representative of a building trade association; (ix) one representative of the low-income energy affordability network; (x) one representative from a not-for-profit that advocates for wind energy; (xi) one representative from a not-for-profit that advocates for solar energy; (xii) one representative from a not-for-profit that advocates for energy efficiency; (xiii) one representative from a not-for-profit that advocates for affordable housing; (xiv) one representative of commonwealth cities and towns; and (xv) one representative of a regional planning agency.

The secretary of housing and community development or their designee, the commissioner of the department of energy resources or their designee, the commissioner of the department of environmental protection or their designee, and the director of environmental justice at the executive office of energy and environmental affairs or their designee, a representative of an investor owned utility, and a representative of a municipal lighting plant or municipal light plant industry association shall also be non-voting members of the advisory body.

(d) Not later than December 1 of each year, the center shall report on the activities of the fund to the clerks of the house of representatives and the senate and to the house and senate committees on ways and means. The report shall include analysis on implementation of and results from the program including progress towards emissions limits and sublimits established in Chapter 21N, establishing and tracking progress towards achieving annually increasing targets of populations identified in subsection (a) of this section in the clean energy sector, a description of the work of the advisory body established in subsection (c) of this section, an accounting of

expenditures made from the fund with a description of the purpose of each expenditure, an accounting of amounts credited to the fund and any unexpended balance remaining in the fund.

SECTION 2. Section 1 of chapter 23M is amended by striking out the words “or (2) the construction of an extension of an existing natural gas distribution company line to qualifying commercial or industrial property to enable the qualifying commercial or industrial property to obtain natural gas distribution service to displace utilization of fuel oil, electricity or other conventional energy sources” and inserting in place thereof the following words:-

or (2) participation in a district heating and cooling system by qualifying commercial or industrial real property, provided such district energy system incorporates renewable energy, or (3) participation in a microgrid, including any related infrastructure for such microgrid, by qualifying commercial or industrial real property, provided such microgrid incorporates renewable energy, or (4) participation in an energy storage system by qualifying commercial or industrial property when paired with renewable energy generation

SECTION 3. Said Section 1 of chapter 23M is further amended by inserting the following definitions:-

“District heating and cooling system”, a local system consisting of a central generation source and network of pipes that use hot water, chilled water, or steam to provide space heating, cooling and/or hot water to multiple buildings.

“Energy storage system”, a commercially available technology that is capable of absorbing energy, storing it for a period of time and thereafter dispatching the energy; provided, however, that an energy storage system shall (1) use mechanical, chemical or thermal processes to store energy that was generated for use at a later time; (2) store thermal energy for direct

heating or cooling use at a later time in a manner that avoids the need to use electricity at that later time; (3) use mechanical, chemical or thermal processes to store energy generated from renewable resources for use at a later time; or (4) use mechanical, chemical or thermal processes to capture or harness waste electricity and to store the waste electricity generated from mechanical processes for delivery at a later time.

"Microgrid", a group of interconnected loads and distributed energy sources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid and that connects and disconnects from such grid to enable it to operate in both grid connected and island mode.

SECTION 4. Subsection (b) of section 21 of chapter 25 is hereby amended by adding to the end of clause (1) the following:-

Each plan shall demonstrate alignment with Chapter 21N greenhouse gas emissions limits and sublimits during the three-year plan term.

SECTION 5. Said subsection (b) of said section 21 of said chapter 25 is hereby further amended by striking clauses 2 and 3 and inserting in place thereof:-

(2) A plan shall include: (i) an assessment of the estimated lifetime cost, reliability, avoided greenhouse gas emissions, and magnitude of all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply; (ii) the amount of demand resources, including efficiency, conservation, demand response and load management, that are proposed to be acquired under the plan and the basis for this determination; (iii) the estimated energy cost and greenhouse gas emissions savings that the acquisition of such resources will provide to electricity and natural gas consumers, including, but not limited to,

reductions in capacity and energy costs and increases in rate stability and affordability for low-income customers; (iv) a description of programs, which may include, but which shall not be limited to: (A) efficiency and load management programs, including energy storage and other active demand management technologies, and strategic electrification, such as measures that are designed to result in cost-effective reductions in greenhouse gas emissions through the use of expanded electricity consumption while minimizing ratepayer costs; (B) demand response programs; (C) programs for research, development and commercialization of products or processes which are more energy-efficient than those generally available; (D) programs for development of markets for such products and processes, including recommendations for new appliance and product efficiency standards; (E) programs providing support for energy use assessment, real time monitoring systems, engineering studies and services related to new construction or major building renovation, including integration of such assessments, systems, studies and services with building energy codes programs and processes, or those regarding the development of high performance or sustainable buildings that exceed code; (F) programs for the design, manufacture, commercialization and purchase of energy-efficient appliances and heating, air conditioning and lighting devices; (G) programs for planning and evaluation; (H) programs providing commercial, industrial and institutional customers with greater flexibility and control over demand side investments funded by the programs at their facilities; (I) programs for public education regarding energy efficiency and demand management; and (J) programs that result in customers switching to renewable energy sources or other clean energy technologies; provided, however, that not more than 1 per cent of the fund shall be expended for items (C) and (D) collectively, without authorization from the advisory council; (v) a proposed mechanism which provides performance incentives to the companies based on their success in meeting or

exceeding the goals in the plan; (vi) the budget that is needed to support the programs; (vii) a fully reconciling funding mechanism which may include, but which shall not be limited to, the charge authorized by section 19; (viii) the estimated amount of reduction in peak load that will be reduced from each option and any estimated economic benefits for such projects, including job retention, job growth or economic development; (ix) decreased annual spending on incentives, programs, and support for all systems, equipment, workforce development, and training as relates to fossil fuels within the 2022 to 2024 energy efficiency plan, and all plans thereafter shall include no such spending; and (x) data showing the percentage of all monies collected that will be used for direct consumer benefit, such as incentives and technical assistance to carry the plan. With the approval of the council, the plan may also include a mechanism to prioritize projects that have substantial benefits in reducing peak load, reducing the energy consumption or costs of municipalities or other governmental bodies, maximizing net climate, environmental and equity impacts or that have economic development, job creation or job retention benefits.

(3) A program included in the plan shall be screened through cost-effectiveness testing which compares the value of program benefits to the program costs to ensure that the program is designed to obtain energy savings and other benefits, including but not limited to climate, environmental, and equity benefits, with value greater than the costs of the program. Program cost effectiveness shall be reviewed periodically by the department and by the energy efficiency advisory council. For the purposes of reviewing cost effectiveness, programs shall be aggregated by sector. Any sector with a benefit cost ratio greater than 1.0 indicating benefits are greater than costs shall be considered cost-effective. If a sector fails the cost-effectiveness test as part of the review process, its component programs shall either be modified so that the sector meets the test

or shall be terminated, unless a significant climate and/or equity benefit can be demonstrated to the council. The cost-effectiveness test shall not be applied determinatively as part of the review process at a subsector level.

SECTION 6. Subsection (c) of said section 21 of chapter 25 is hereby amended by inserting before the last sentence the following:-

The council shall not approve plans that it determines do not demonstrate alignment with Chapter 21N greenhouse gas emissions limits and sublimits during the three-year plan term.

SECTION 7. Paragraph (2) of subsection (d) of said section 21 of said chapter 25 is hereby amended by striking the first sentence and inserting in place thereof the following:-

Not later than 90 days after submission of a plan, the department shall issue a decision on the plan which ensures that the electric and natural gas distribution companies have identified and shall capture all energy efficiency and demand reduction resources that are cost effective or less expensive than supply and demonstrate alignment with Chapter 21N greenhouse gas emissions limits and sublimits during the three-year plan term and shall approve, modify and approve, or reject and require the resubmission of the plan accordingly.

SECTION 8. Section 22 of said chapter 25 of the General laws are hereby amended by striking out subsection (b) and inserting in place thereof the following:-

(b) The council shall, as part of the approval process by the department, seek to maximize net climate, environmental, equity, and economic benefits through energy efficiency, load management, and non-combustion renewable energy resources and to achieve energy, capacity, climate and environmental goals through a sustained and integrated statewide energy efficiency

effort. The council shall review and approve demand resource program plans and budgets, work with program administrators in preparing energy resource assessments, determine the economic, system reliability, climate and air quality benefits of efficiency, non-combustion renewable energy, and load management resources, conduct and recommend relevant research, and recommend long term efficiency, renewable energy, and load management goals to achieve climate, environmental, and equity goals in a cost-effective manner. Approval of efficiency and demand resource plans and budgets shall require a two-thirds majority vote. Approval shall not be granted unless the council determines that program administrators have demonstrated the plan's alignment with Chapter 21N greenhouse gas emissions limits and sublimits. The council shall, as part of its review of plans, examine opportunities to offer joint programs providing similar efficiency measures that save more than 1 fuel resource or to coordinate programs targeted at saving more than one fuel resource. Any costs for joint programs shall be allocated equitably among the efficiency programs. The council shall establish annually increasing targets for serving populations traditionally underserved by the program including but not limited to moderate-income ratepayers, renter ratepayers, ratepayers whose primary language is not English, small business rate payers and rate payers in Environmental Justice communities.

SECTION 9. Said section 22 of said chapter 25 is amended by striking subsection (d) and inserting in place thereof the following:-

(d) The electric and natural gas distribution companies and municipal aggregators shall provide quarterly reports to the council on the implementation of their respective plans. The reports shall include a description of the program administrator's progress in implementing the plan, a summary of the savings secured to date, progress in serving populations traditionally underserved by the program including but not limited to moderate-income ratepayers, renters,

ratepayers whose primary language is not English, small business rate payers and rate payers in Environmental Justice communities, progress towards achieving greenhouse gas emissions limits and sublimits established in Chapter 21N, and such other information as the council shall determine. The council shall provide an annual report to the department and the joint committee on telecommunications, utilities and energy on the implementation of the plan which includes descriptions of the programs, expenditures, cost-effectiveness and savings and other benefits during the previous year.

SECTION 10. Section 2 of chapter 25a is amended by striking out the first sentence in the second paragraph and inserting in place thereof:-

There shall be within the department 4 divisions: (i) a division of energy efficiency, which shall work with the department of public utilities regarding energy efficiency programs; (ii) a division of renewable and alternative energy development, which shall oversee and coordinate activities that seek to maximize the installation of renewable and alternative energy generating sources that will provide benefits to ratepayers, advance the production and use of biofuels and other alternative fuels as the division may define by regulation, and administer the renewable portfolio standard and the alternative portfolio standard; (iii) a division of building energy and emissions reductions which shall oversee and coordinate activities that seek to maximize building sector decarbonization; and (iv) a division of green communities, which shall serve as the principal point of contact for municipalities and other governmental bodies concerning all matters under the jurisdiction of the department of energy resources.

SECTION 11. Section 6 of said chapter 25A is hereby amended by inserting after "net-zero building" in clause (14) the following:-

"provided, that the definition shall apply to both residential and commercial new construction and major renovation, shall be designed to ensure that the building is highly energy efficient with all remaining electrical and thermal energy needed for the building supplied by renewable sources generated onsite or through approved offsite locations or a combination of onsite and offsite, and shall disallow combustion for primary heating and fossil fuel for all applications, with the exception for a limited amount of time, to be reviewed every 2 years, for consideration for affordable, low-income, and institutional applications, including but not limited to back-up generators, as deemed appropriate by the department; provided also that it shall include EV-ready wiring for all building types, and solar roof requirements for the majority of buildings."

(15) Regulations adopted by this section shall be reviewed and updated in increments of not less than three years and in alignment with the same cycle as the International Energy Conservation Code; provided further that the department in consultation with the board of building regulations and standards shall hold hearings to review such updates including not less than 3 held in environmental justice communities across the Commonwealth for each review or update cycle with appropriate and reasonable advance notice to said communities.

SECTION 12. Section 10 of said chapter 25A is hereby amended by striking subsection (b) in its entirety and inserting in place thereof the following new subsection:-

(b) The division shall establish a green communities program. The purpose of the program shall be to provide technical and financial assistance, in the form of grants and loans, to municipalities and other local governmental bodies that qualify as green communities and or green plus communities under this section. These loans and grants shall be used to finance all or

a portion of the costs of studying, designing, constructing and implementing energy efficiency and climate change mitigation activities, including but not limited to, energy conservation and renewable energy measures and projects; procurement of energy management services; installation of energy management systems; adoption of demand side reduction initiatives; deployment of energy storage, microgrids, or district energy systems connected to renewable energy generation; purchase of zero-emissions vehicles; installation of electric vehicle charging equipment or infrastructure, or related technologies; coordination of residential or small business clean energy outreach, technical assistance, or financing programs; and the adoption of energy efficiency policies. They shall also be used to finance the siting and construction of renewable and alternative energy projects on municipally-owned land.

SECTION 13. Said section 10 of said chapter 25A is hereby further amended by inserting after subsection (c) the following new subsection:-

(c ½) To qualify as a green plus community, a municipality or other governmental body shall: (1) file an application with the division in a form and manner to be prescribed by the division; (2) establish a greenhouse gas emissions baseline inventory for residential, commercial and industrial buildings sited within the municipality, which may also include transportation, waste, and other sources of emissions within the municipality; (3) put in place a comprehensive plan whose implementation begins within 1 year from the date of initial participation in the program, designed to reduce the greenhouse gas emissions baseline inventory by a percentage approved by the division that is not less than 20 per cent within 5 years of initial participation in the program; (4) adopt the municipal opt-in specialized stretch energy code established in subsection 14 of Section 6 of chapter 25A; and (5) fulfill qualifications subsection 2 through 6 inclusive of the green community program as described in section (c).

Preference shall be given to those municipalities that include additional sources of emissions within their greenhouse gas emissions baseline inventory. Not later than one year after the adoption of this section, the division shall adopt a tracking system for community-wide greenhouse gas emissions, to include but not be limited to the building, transportation, energy, land use, and waste sectors, that can be used by municipalities. The secretary may waive these requirements based on a written finding that due to unusual circumstances, a municipality cannot reasonably meet all of the requirements and the municipality has committed to alternative measures that advance the purposes of the green plus communities program as effectively as adherence to the requirements

SECTION 14. Said section 10 of said chapter 25A is hereby further amended in subsection (d) by striking the figure “20,000,000” and inserting in place thereof “40,000,000 with not less than $10,000,000 going to green plus communities”.

SECTION 15. Said section 10 of said chapter 25A is hereby further amended in by inserting after subsection (e) the following:-

(e ½) The division shall, not later than 1 year after the passage of this act, adopt regulations enabling those communities served by municipal lighting plants to participate in the green communities program established under section 10 of chapter 25A through alternate means which shall include consideration of, but not be limited to, a funding match from a municipal light plant on behalf of the served community in their region and the allowance of single communities within a municipal light plant served region to participate in the program without all communities needing to participate. Municipalities participating under the regulations

established by this section shall be required to comply with the qualifications established in subsection (c) of this section.

SECTION 16. Said chapter 25A is hereby amended by adding after Section 17 the following sections:-

Section 18. (a) For the purposes of this section the following words shall have the following meanings:-

"building emissions" greenhouse gas emissions as expressed in metric tons of carbon dioxide equivalent emitted as a result of operating a covered building and calculated in accordance with rules promulgated by the department.

"building emissions intensity" For a covered building, the number obtained by dividing the building emissions by the gross floor area for such building, expressed in metric tons of carbon dioxide equivalent per square foot per year.

(b) The purpose of the building energy and emissions reduction division shall be to establish and administer programs and regulations for assessing annual energy use in and emissions from buildings to further the goal of achieving emissions limits and sublimits established in Chapter 21N. The division shall collaborate with other department divisions, the department of housing and economic development, MassDevelopment, Massachusetts Clean Energy Center, the net zero energy building advisory council established in section 21 of this chapter and other relevant stakeholders on the development of programs and regulations, as appropriate. The division shall take all reasonable steps to inform the owners of buildings of their obligations under this section in advance including but not limited to materials developed for outreach and education made available on the division's website. Said materials shall be

available in English and in other languages commonly spoken in the Commonwealth. Such outreach shall include a list of city, state, federal, private and utility incentive programs related to building energy reduction, renewable energy, or building retrofits for which buildings reasonably could be eligible.

(c) The division shall promulgate regulations establishing annual carbon intensity limits on building emissions or a building energy performance standard or a combination thereof for covered buildings in alignment with emissions limits and sublimits established in Chapter 21N. Covered buildings shall be established by the division and reflect a phased-in schedule that shall begin no later than January 1, 2023, beginning with large buildings no smaller than 25,000 square feet to be defined by the division and shall include all building types by 2026 and all buildings by 2030. The division may include exemptions for small accessory buildings or structures with no or minimal space conditioning, to be defined in regulations. Phases may be defined by, but are not limited to being defined by, size and type, such as commercial and industrial properties, residential buildings, and other specialized typologies. The building performance limits shall be set for periods of not more than five years and emissions limits shall decrease over time at a pace to at least align with emissions limits and sublimits established in Chapter 21N.

(d) The division shall promulgate regulations for alternative methods of compliance with building emissions intensity limits, energy use performance standards or a combination thereof as established by the division including but not limited to adjustments for the use of on-site renewable energy generation, adjustments for special categories of buildings or for special use, accommodations or support for buildings housing low- or moderate-income occupants, and alternative compliance payments. Alternative compliance payments shall be established such that

low- and moderate-income households and small businesses are charged reduced amounts proportionate with their ability to pay. The division shall also establish fines for noncompliance which shall be higher than alternative compliance payments. Both alternative compliance payments and fines shall be deposited into the building energy retrofit program trust fund established in section 20 of this chapter.

(e) The division shall create and manage an online portal for the submission of required data by building owners, including the building's baseline emissions and energy use for year one of the program and annual reports on that data thereafter.

(f) The division shall establish an annual deadline for receiving reports from building owners and a deadline extension or hardship waiver process for owners who, in the judgment of the division, demonstrate cause for a deadline extension or hardship waiver.

(g) Except as otherwise provided in this statute or otherwise provided by regulation, after a building is deemed a covered building, it shall not exceed the annual building performance limits for such building as determined by the division.

(h) The division shall make building information and data available to the public on its website. For each building, the information made available shall include, but is not limited to, building identification information and building emissions and energy data.

The department shall utilize such practices as are necessary to prevent the public disclosure of personal information regarding owners and tenants, and maintain a quality assurance process to improve the accuracy and completeness of the available information. The department shall provide owners with the opportunity to submit contextual information related to data and shall disclose such information on its website upon request by the owner. The website

shall be made available in English and multiple other languages commonly spoken in the commonwealth.

(i) The division shall prepare an annual report that shall be posted on the department's website and filed with the house and senate committees on ways and means and the joint committee on telecommunication, utilities and energy not later than December 31. The report shall include, but is not limited to, analysis on implementation of, compliance with, and results from the program including progress towards emissions limits and sublimits established in Chapter 21N. The division shall make available to a regional planning agency, municipality or other public agency requesting such information any data set forth in this section, utilizing such practices as are necessary to prevent the public disclosure of personal information regarding owners and tenants.

(j) The division shall promulgate regulations governing the building performance program after holding not less than 3 hearings held in environmental justice communities as defined as defined in section 62 of chapter 30.

Section 19. (a) There shall be a grant and loan program within the division known as the Building Energy and Emissions Retrofit Funding Program, hereafter referred to as the program, for the purpose of encouraging and supporting building owners to invest in deep energy retrofits and whole-building energy performance upgrades to their properties that reduce greenhouse gas emissions, create healthier homes and buildings, and are in alignment with achieving the GWSA limits and sublimits established under Chapter 21N. Eligible projects for funding shall include pre-weatherization barrier mitigation, pre-electrification barrier mitigation, and renewable energy systems, if part of a more comprehensive deep energy retrofit or whole-building energy

performance upgrade. Conversions from one fossil fuel system to another or additions of fossil fuel systems or infrastructure shall not be funded by these programs.

The division shall develop the program in consultation with the net zero energy building advisory council established in section 21 of this chapter, the Department of Housing and Community Development, the Department of Public Utilities, the Department of Environmental Protection, the Energy Efficiency Advisory Council, the Department of Public Health, and the Massachusetts Clean Energy Center. Nothing in this section guarantees an individual or corporation a right to the benefits provided in this section.

(b) The division shall design and implement the program, which shall include a certification process to certify qualified expenses for a grant or loan under this section. Applications for the program shall be reviewed and grants or loans shall be awarded on no less than an annual basis.

(c) The division shall, (i) promote awareness of the program, including through coordination with relevant trade groups, community based organizations, nonprofits, municipalities, regional planning agencies, and by integration in economic development marketing campaigns; and (ii) adopt measurable goals, performance measures, and an audit strategy to assess the utilization and performance of the program.

(d) The division shall prioritize investments in (i) property that is located in an environmental justice community as defined in section 62 of chapter 30; (ii) property that is low or moderate income or rental housing; (iii) property owned by municipalities; and (iv) projects that improve public health outcomes.

(e) The incentives shall be funded, at least in part, by the building energy retrofit program trust fund established in section 20 of chapter 25A. To the extent possible, the program shall seek to leverage existing state and federal programs including. but not limited to, Massachusetts School Building Authority.

(f) The division shall promulgate rules, regulations and guidelines for the administration and oversight of this chapter which shall include definitions of deep energy retrofit, pre-weatherization barriers, and pre-electrification barriers and may allow for municipalities to establish or continue their own municipal program so long as it is meets or exceeds the greenhouse gas emissions reductions of the Building Energy Retrofit Funding Program. The department shall commence awarding funds no later than January 1, 2022.

Section 20. (a) The commissioner shall create and administer the building energy retrofit program trust fund into which shall be deposited: (i) any revenues or other financing sources directed to the fund by appropriation; (ii) bond revenues authorized by the general court and designated to be credited to the fund; (iii) any income derived from the investment credited to the fund; (iv) funds from public or private sources including, but not limited to, gifts, federal or private grants, donations, rebates and settlements received by the commonwealth that are designated to be credited to the fund; and (v) all other amounts credited or transferred into the fund from any other source.

(b) There shall be established upon the books of the commonwealth a separate fund to be known as the Building Energy Retrofit Trust Fund. There shall be credited to said fund all amounts received through (i) any revenues or other financing sources directed to the fund by appropriation; (ii) bond revenues authorized by the general court and designated to be credited to

the fund; (iii) any income derived from the investment credited to the fund; (iv) funds from public or private sources including, but not limited to, gifts, federal or private grants, donations, rebates and settlements received by the commonwealth that are designated to be credited to the fund; and (v) all other amounts credited or transferred into the fund from any other source. All amounts credited to the fund shall be held in trust and shall be available for expenditure, without further appropriation, by the department for activities of the department related to section 18 and section 19 of this chapter. Any unexpended balance in the fund at the close of a fiscal year shall remain in the fund and shall be available for expenditure in the following fiscal year; provided however, that the fund shall not be in deficit at the end of any state fiscal year.

(c) The operating and administrative expenses shall not exceed 5 per cent of the annual total revenue expended from the fund.

(d) Annually, not later than December 1 of each year, the commissioner shall report on the activities of the fund to the clerks of the house of representatives, the senate and to the house and senate committees on ways and means, and the net zero energy building advisory council established in section 21 of this chapter. The report shall include an accounting of expenditures made from the fund with a description of the purpose of each expenditure, an accounting of amounts credited to the fund and any unexpended balance remaining in the fund.

Section 21. (a) The commissioner shall establish a building decarbonization advisory council which shall review and provide feedback on the implementation of programs under the building energy and emissions performance division with a focus on supporting development of net zero buildings in the Commonwealth in alignment with the targets established in chapter 21N. The council shall be chaired by the Commissioner or a designee and members shall

include, but are not limited to: (i) The attorney general, or a designee; (ii) at least three residents of environmental justice communities as defined in section 62 of chapter 30; (iii) at least three certified minority-owned or women-owned small business enterprises that perform clean energy services; (iv) one representative of the public institutions of higher education included in section 5 of chapter 15A; (v) one representative of the MassHire State Workforce Board; (vi) one representative of the energy efficiency advisory council established in section 22 of chapter 25 who does not represent a state agency or utility that is otherwise seated on the council; (vii) one representative of a building trade association; (viii) one representative of the labor community; (ix) one residential architect; (x) one commercial architect; (xi) one building engineer; (xii) one non-profit that specializes in clean energy efficiency research; (xiii) one representative of the low-income energy affordability network; (xiv) one representative of commonwealth cities and towns; (xv) one representative of a regional planning agency; and (xvi) one expert in land use.

Non-voting members shall include the secretary of housing and community development or their designee; the Commissioner of the department of public health or their designee the Commissioner of the department of environmental protection or their designee; the CEO of Massachusetts Clean Energy Center or their designee; a representative of an investor owned utility, and a representative of a municipal lighting plant or municipal light plant industry association.

Interested parties shall apply to the commissioner for designation as members. There shall be members from each county of the commonwealth represented on the council. In their initial appointments the Commissioner shall designate one third of members to serve for one year, one third to serve for a term of two years and the remaining third to serve for a term of three years and their successors shall serve for terms of three years.

The advisory board may convene working groups. Such working groups may include individuals external to the advisory board. The Commissioner shall invite the appropriate federal, state and local agencies and authorities to participate.

(b) The advisory council shall meet at least 4 times a year and shall hold at least 2 public hearings each year. The council shall review and monitor the recommendations for expenditure of grants and programs in the secretariat. In the event the council or members of the council disapproves of any such recommendation it may file a report noting its objection with the governor, the house and senate committees on ways and means and the joint committee on environment, natural resources and agriculture.

(c) Not later than December 1 of each year, the Department shall report on the activities of the council to the clerks of the house of representatives and the senate, to the house and senate committees on ways and means and to the chairs of the Joint Committee on Telecommunications, Utilities and Energy.

SECTION 17. Subsection (o) of Section 94 of chapter 143 is hereby amended by adding at the end:-

“If the energy provisions of the state building code are not updated within said one year of any revision to the International Energy Conservation Code (IECC), the Board shall report on the status of approval of the latest International Energy Conservation Code and steps being taken to move towards expedient adoption. Reports shall be filed with the chairs of the Joint Committee on Telecommunication, Utility and Energy, the Joint Committee on Consumer Protection and Professional Licensure the clerk of the house of representatives, and the clerk of the senate no later than 30 days beyond the one-year deadline described in this section, and again

every 6 months, until the past due IECC provisions and any more stringent amendments are adopted."

SECTION 18. Section 95 of said chapter 143 is hereby amended by striking all text and inserting in place the following:-

"Section 95. The powers and duties of the board set forth in section ninety-four shall be exercised to affect the following general objectives:

(a) Uniform standards and requirements for construction and construction materials, compatible with accepted standards of engineering and fire prevention practices, energy conservation, climate change mitigation and resilience, and public health and safety.

In the formulation of such standards and requirements, performance for the use intended shall be the test of acceptability, in accordance with accredited testing standards. There shall be consideration for addressing equity and meeting statewide greenhouse gas emission limits and sublimits established pursuant to chapter 21N.

(b) Adoption of modern technical methods, devices and improvements which may reduce the cost of construction, and maintenance over the life of the building, and mitigate the impacts of and damage from climate change without affecting the health, safety and security of the occupants or users of buildings.

(c) Elimination of restrictive, obsolete, conflicting and unnecessary building regulations and requirements which may increase the cost of construction, maintenance and impacts of and damage from climate change over the life of the building or retard unnecessarily the use of new materials, or which may provide unwarranted preferential treatment of types of classes of

materials, products or methods of construction without affecting the health, safety, and security of the occupants or users of buildings.

SECTION 19. The Department of Energy Resources, in consultation with Massachusetts Clean Energy Center, the Board of Building Regulations and Standards and the Secretary of Housing and Economic Development, shall issue a written report to the Clerk of the House of Representatives, the Clerk of the Senate and the Joint Committee on Telecommunication and Energy within one year of adoption of this act which shall include, but is not limited to, analysis on the feasibility and timing for adopting the following: (i) mass timber buildings taller than five stories; (ii) reduction of embodied carbon; (iii) carbon storage in building materials; (iv) modular building systems; and (v) healthy non-toxic building materials.

The report shall include recommendations for any legislation that may be required to adopt these or other innovations in the Commonwealth.

SECTION 20. Notwithstanding any special or general law, rule or regulation to the contrary, not later than January 1, 2025, the opt-in specialized stretch energy code as developed and promulgated under section 6 of chapter 25A shall be incorporated into the Stretch Energy Code in Appendix 115AA of the Massachusetts building energy code. Upon such incorporation, municipalities that previously adopted the opt-in specialized stretch energy code shall be part of the Stretch Energy Code in Appendix 115AA of the Massachusetts building energy code with no action required.

SECTION 21. Notwithstanding any special or general law, rule or regulation to the contrary, not later than January 1, 2028, the state board of building regulations and standards shall incorporate the Stretch Energy Code in Appendix 115AA of the Massachusetts building

energy code into the base energy provisions of the state building code issued by the state board of building regulations under section 93 of chapter 143.

SECTION 22. To develop a residential version of the PACE program established in section 4 of chapter 23M of the general laws, Mass Development shall: (i) hold not less than two public hearings; and (ii) include appropriate consumer protection measures and homeowner protections. The residential version of the PACE program shall be developed, adopted and available for municipal participation not later than 1 year after the passage of this act.