

How the Zero Carbon Renovation Fund Aligns with the Clean Heat Commission



BILL SUMMARY

"Establishing a [Zero Carbon Renovation Fund](#) is well-aligned with the recommendations laid out in the recent [Massachusetts Commission on Clean Heat](#) final report, which calls for a new Building Decarbonization Clearinghouse; suggests "that the Mass Save structure is not suited to lead decarbonization efforts in the Commonwealth"; and advocates for shifting this responsibility, at least in part, to the Executive Office of Energy and Environmental Affairs (EEA), Department of Energy Resources (DOER), and the Massachusetts Clean Energy Center (MassCEC)."

CLEAN HEAT COMMISSION REPORT AND THE ZCRF

Clean Heat Commission Report	Zero Carbon Renovation Fund
MUTUAL GOALS	
<ul style="list-style-type: none"> • "To achieve net zero by 2050 in a manner that improves equity, public health, safety, and resilience while minimizing the overall costs of the transition, the Commonwealth's building sector must undergo a dramatic transformation across new and existing buildings involving energy efficiency, weatherization, and clean heating technologies." (p. iii) 	<ul style="list-style-type: none"> • The ZCRF provides an essential first step toward transforming the Commonwealth's existing building sector. By funding shovel-ready building decarbonization projects, ZCRF creates critical opportunities to identify and address initial market challenges, hone energy efficiency, weatherization, and clean heating best practices, and scale what works for future projects.
EQUITY FOCUS	
<ul style="list-style-type: none"> • "It will be particularly critical to ensure low-to-moderate income households and environmental justice populations are provided the opportunities and resources to be first in line to receive the benefits associated with clean heating and cooling technologies, without shouldering additional energy cost burdens." (p. iii) 	<ul style="list-style-type: none"> • The ZCRF prioritizes decarbonization efforts for minority- and women-owned small businesses, low- and middle-income communities, and buildings located in environmental justice communities and communities disproportionately impacted by COVID. This includes affordable and public housing, schools, town halls, and other municipal buildings.

COMPLEMENTING MASS SAVE

- “While current Mass Save incentives are significant and reasonably scoped for near-term adoption, the Commission anticipates that these incentives will not be sufficient to inspire the broad, cross-sector change needed to meet our emissions reduction requirements and equity goals in the coming decades. Additional programs, resources, and reforms, including reconstituting Mass Save under a new Building Decarbonization Clearinghouse, will be needed to support the market transformation that is required for meeting building sector sublimits in as cost efficient and equitable a manner as possible.” (p. iv)

- The ZCRF complements state-wide work already underway, like incentives through the Mass Save program, to hit our emissions reductions requirements and equity goals. It provides the kind of supplemental resources necessary to support the market transformation required for advancing cost-efficient and equitable building decarbonization.

ADMINISTRATIVE OVERSIGHT

- “The Commission also strongly suggests that the Mass Save structure is not suited to leading decarbonization efforts in the Commonwealth, and its programs cannot independently achieve the pace and scale of transformation necessary. The Administration should examine Mass Save’s current authority, structure, and programs in light of the 2025/2030 and 2050 Clean Energy and Climate Plans and develop a set of legislative, regulatory, and executive recommendations for amending the program to better equip the Commonwealth to deploy ratepayer funding in support of building decarbonization and electrification, with the near-term objective of locating a reconstituted Mass Save under the Clearinghouse’s umbrella. EEA, DOER, and the Massachusetts Clean Energy Center (MassCEC) should begin immediately collaborating on additional Mass Save reforms and the design of the Clearinghouse and should conduct the necessary analysis to support further legislative changes to integrate with and influence the Massachusetts’ Three-Year Energy Efficiency Plans for 2025 and 2028.” (p. viii)

- The ZCRF would be administered by the Massachusetts Clean Energy Center (MassCEC) in consultation with DOER.
- We believe MassCEC is best positioned to rapidly deploy resources for deep energy retrofit projects across a number of building typologies, and leverage these initial projects to identify and scale best practices and accelerate the necessary market adoption of successful strategies and technologies.

WORKFORCE DEVELOPMENT AND GETTING TO SCALE

- “To resource the transition appropriately, efficiently, and equitably, it will be critical to:
- Significantly increase funding for early investments in innovation, workforce development/training, consumer education, and market development as soon as possible”
- “Provide resources to enable stakeholders who are reliant on fossil fuel to equitably transition to new opportunities that are aligned with the Commonwealth’s net zero future, and to provide clear and consistent market signals around the need to adapt.”
- “Staff and resource programs in accordance with the scale of programming that will actually produce the pace of change required by emissions targets.”
- “Embed climate, public health, equity, resilience, emergency response, and other clearly definable societal impacts into upstream evaluation criteria and funding allocation decisions.” (p. v)

- As we work to hit our state goal of decarbonizing 500,000 homes by 2030, the ZCRF would provide the down payment necessary for the first phase of this work – funding shovel-ready building decarbonization projects.
- The projects resourced by the ZCRF will create opportunities to develop and train a zero carbon renovation workforce, foster market demand for this work, and identify building decarbonization best practices – all of which will help to scale proven, efficient, and cost-effective approaches, accelerate the transition to a net-zero future, and make that transition more accessible, across Massachusetts and the country.
- The ZCRF unlocks new resources for project renovations and upgrades ensuring that clean energy systems, like heat pumps, are an economically attractive option over simply reinstalling legacy fossil fuel systems. The ZCRF can be immediately deployed to protect housing affordability, improve public health and air quality, reduce reliance on high-cost fossil fuels and drive down utility bills, and catalyze a just and equitable transition to a clean energy future.

PILOT PROJECTS INFORMING SCALE

- “The Commission recommends conducting research, developing best practice guidance and case studies, and setting standards to fill existing knowledge gaps with respect to the decarbonization of the building sector in Massachusetts. The goal is to proactively identify and address gaps in building decarbonization feasibility, and to share data and information to advance further research and development. Research and development should build on the MassCEC’s innovation, tech development, and market development work.” (p. ix)

- The ZCRF has built-in flexibility, allowing for easy adjustments to needs and funding gaps that may not have been anticipated. Further, the ZCRF explicitly includes a wide range of building types, and the deep variability within these types of building decarbonization projects will be invaluable case studies on best practices.
- Projects funded by the ZCRF will simultaneously help to identify existing knowledge and funding gaps for future building decarbonization efforts, while also working to address those gaps in real time.