

SENATE No. 2175

The Commonwealth of Massachusetts

PRESENTED BY:

Marc R. Pacheco

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 to empower residential housing property upgrades, homeowner savings, and a robust workforce.

PETITION OF:

NAME:

Marc R. Pacheco

DISTRICT/ADDRESS:

Third Bristol and Plymouth

SENATE No. 2175

By Mr. Pacheco, a petition (accompanied by bill, Senate, No. 2175) of Marc R. Pacheco for legislation to empower residential housing property upgrades, homeowner savings, and a robust workforce. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act to empower residential housing property upgrades, homeowner savings, and a robust workforce.

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

1 SECTION 1. As used in this act, the following words shall, unless the context clearly
2 requires otherwise, have the following meanings:

3 “Cumulative adjusted gross household income”, the cumulative adjusted gross income of
4 every person in a single household, as reflected on federal income tax returns of the most recent
5 year.

6 “EJSCREEN”, the environmental justice mapping tool, developed by the United States
7 Environmental Protection Agency.

8 "Environmental justice population", a neighborhood that meets 1 or more of the
9 following criteria: (i) the annual median household income is not more than 65 per cent of the
10 statewide annual median household income; (ii) minorities comprise 40 per cent or more of the
11 population; (iii) 25 per cent or more of households lack English language proficiency; or (iv)

12 minorities comprise 25 per cent or more of the population and the annual median household
13 income of the municipality in which the neighborhood is located does not exceed 150 per cent of
14 the statewide annual median household income; provided, however, that for a neighborhood that
15 does not meet said criteria, but a geographic portion of that neighborhood meets at least 1
16 criterion, the secretary may designate that geographic portion as an environmental justice
17 population upon the petition of at least 10 residents of the geographic portion of that
18 neighborhood meeting any such criteria; provided further, that the secretary may determine that a
19 neighborhood, including any geographic portion thereof, shall not be designated an
20 environmental justice population upon finding that: (A) the annual median household income of
21 that neighborhood is greater than 125 per cent of the statewide median household income; (B) a
22 majority of persons age 25 and older in that neighborhood have a college education; (C) the
23 neighborhood does not bear an unfair burden of environmental pollution; and (D) the
24 neighborhood has more than limited access to natural resources, including open spaces and water
25 resources, playgrounds and other constructed outdoor recreational facilities and venues.

26 “Gut rehabilitation”, the general replacement of the interior of a building that is
27 sufficiently extensive, in the judgment of the Undersecretary of the Department of Housing and
28 Community Development, it is appropriate to reconstruct portions of the building to make it
29 more accessible to people with physical disabilities.

30 “Home”, a unit of housing that is either a single-family housing unit or a housing unit
31 within a multifamily housing complex.

32 “Housing emissions audit”, an inspection designed to determine (1) whether there are
33 preexisting environmental hazards in a single family housing unit or multifamily housing

34 complex; (2) if there are preexisting environmental hazards, how much it would cost to complete
35 a preexisting environmental hazard remediation project on that housing unit; (3) the specific
36 renovations, additions, installations, and modifications that would have to be made in order to
37 complete a housing emissions renovation on the housing unit; and (4) how much that housing
38 emissions renovation would cost.

39 “Housing emissions renovation”, a renovation of a single-family housing unit or
40 multifamily housing complex designed to reduce housing-related greenhouse gas emissions,
41 including, but not limited to, improving heat insulation, air sealing, upgraded windows, doors,
42 and cladding systems, electrifying the heating system, installing solar panels or other forms of
43 distributed generation, and replacing fossil fuel burning appliances for heating, hot water, and
44 cooking with energy efficient appliances.

45 “Housing-related emissions”, greenhouse gas emissions caused by (1) heating a housing
46 unit; or (2) supplying electricity to a housing unit.

47 “Multifamily housing complex”, a building, or connected series of buildings, owned by
48 the same owner, with multiple separate housing units.

49 “Preexisting environmental hazard remediation project”, a project to remove a
50 preexisting environmental hazard from a single family housing unit or multifamily housing
51 complex such that the building in question can receive a housing emissions renovation without
52 endangering the building’s occupants.

53 “Preexisting environmental hazard”, preexisting barriers that render a housing emissions
54 renovation hazardous to the health and safety of the residents, or would require repair to allow
55 the housing emissions renovations to proceed safely and effectively. These barriers include, but

56 are not limited to, presence of dangerous mold, infestations, or other conditions that would be
57 made more hazardous by the housing emission renovations; inadequate wiring systems unable to
58 support electrification, and inadequate structural integrity that would compromise the
59 effectiveness and or safety of the housing emission renovations.

60 “Secretary”, the Secretary of the Executive Office of Energy and Environmental Affairs.

61 “Single family housing unit”, a single-family residence.

62 “Task Force”, the Buidi.

63 “Undersecretary”, the Undersecretary of the Department of Housing and Community
64 Development.

65 SECTION 2. (a) The Massachusetts Clean Energy Technology Center shall establish a
66 Residential Energy Efficiency and Electrification Initiative.

67 (b) The purpose of the Residential Energy Efficiency and Electrification Task Force is to
68 develop the Efficiency & Electrification Plan, using the processes and requirements described in
69 section 3.

70 (d) The Undersecretary of the Department of Housing and Community Development, or
71 their designee, shall serve as the chairperson of the Task Force.

72 (e) The Commissioner of the Department of Energy Resources, or their designee, shall
73 serve as the vice-chairperson of the Task Force.

74 (f) The Task Force shall make decisions according to a majority voting procedure in
75 which all fifteen members may cast a single vote. In the case of a tie vote, the chairperson of the
76 Task Force shall be empowered to break the tie by casting a deciding vote.

77 (g) A full and complete transcript of each meeting of the Task Force shall be made
78 publicly available.

79 SECTION 3. (a) The Residential Energy Efficiency and Electrification Initiative must
80 ensure that no fewer than 1,000,000 homes in districts served by investor-owned utilities and
81 municipal lighting plants receive housing emissions renovations that are performed, required, or
82 subsidized by the Massachusetts state government in the 10 years immediately following the
83 enactment of this section.

84 (i) The Residential Energy Efficiency and Electrification Initiative Plan may achieve the
85 goals set forth in this section by expanding and amending existing state programs, or by creating
86 new programs, or some combination of those two possibilities. The Residential Energy
87 Efficiency and Electrification Initiative Plan must be designed to coincide efficiently and
88 effectively with other governmental and non-governmental programs, including Mass Save and
89 Municipal Lighting Plant programs, to reduce housing-related emissions, avoiding duplicative
90 work whenever feasible.

91 (f) The Residential Energy Efficiency and Electrification Initiative Plan shall prioritize
92 the retrofitting of homes located in census tracts with a lower median income than the statewide
93 median income through the higher incentives available to income-qualified residents and through
94 special marketing campaigns that work with and utilize the expertise of community-based
95 organizations with membership in these census tracts. The Residential Energy Efficiency and

96 Electrification Initiative Plan shall include a plan to offer appropriate housing emission
97 renovation plans to every building in these priority census tracts during the 10-year course of the
98 plan, and shall report annually on the number of emission renovation plans offered and the
99 number of plans implemented in whole or in part.

100 (g) The Residential Energy Efficiency and Electrification Initiative shall, at all times,
101 prioritize retrofitting homes located within environmental justice populations over homes that are
102 not located within environmental justice populations.

103 (h) The Residential Energy Efficiency and Electrification Initiative shall include
104 recommendations to the appropriate administrative agencies to adopt regulations mandating
105 minimum energy efficiency, energy performance, or related energy standards for rental
106 properties where the tenants pay for electric or gas utility service or deliverable heating fuels,
107 including but not limited to (1) specifying the minimum required energy standards for windows
108 and for wall and attic insulation, such as minimum R-value standards; (2) ensuring that windows
109 and doors are weather tight; (3) specifying the minimum required energy standards for heating
110 and hot water systems; (4) ensuring that energy losses are reduced through energy efficiency
111 measures including, but not limited to, air sealing of window sills and ducts;

112 (i) The Residential Energy Efficiency and Electrification Initiative shall include a system
113 for determining the subsidies and financial incentives available for the owners and tenants of
114 multifamily housing complexes in which some of the tenants qualify for the subsidies and
115 financial incentives described in Section 6, and some of the tenants do not qualify for those
116 subsidies or financial incentives. The system developed by the Residential Energy Efficiency and

117 Electrification Initiative shall, to the greatest extent feasible, maximize benefits to tenants who
118 are eligible for subsidies or financial incentives described in Section 6.

119 SECTION 4. (a) If the Residential Energy Efficiency and Electrification Initiative creates
120 new state programs to complete housing emissions audits, preexisting environmental hazard
121 remediation projects, and housing emissions renovations, the Residential Energy Efficiency and
122 Electrification Initiative shall vest the responsibility and authority to implement and oversee
123 those programs with the Department of Housing and Community Development.

124 (b) The Department of Housing and Community Development shall develop programs
125 and regulations to protect tenants of homes or buildings which received either a preexisting
126 environmental hazard remediation project, a housing emissions renovation, or both. These
127 regulations shall include, but shall not be limited to, a regulation ensuring that the rental fee for a
128 home or building which received either a preexisting environmental hazard remediation project,
129 or a housing emissions renovation, or both, shall not be increased for a period of at least 6
130 months and no more than 7 years. The precise time period shall be based upon the cost and
131 complexity of the preexisting environmental hazard remediation project or the housing emissions
132 renovation applied to the home or building which the tenant is renting.

133 SECTION 5. (a) No single-family housing unit or multifamily housing complex may
134 receive a housing emissions renovation without first receiving a housing emissions audit. The
135 Department of Housing and Community Development shall have the authority to create
136 exemptions for this requirement when such exemptions are appropriate, in the judgment of the
137 Undersecretary.

138 (b) No single-family housing unit or multifamily housing complex which has a
139 preexisting environmental hazard, as determined by a housing emissions audit, may receive a
140 housing emissions renovation without first receiving a preexisting environmental hazard
141 remediation project.

142 SECTION 6. (a) When providing a housing emissions renovation for a home located
143 within an environmental justice population, the Department of Housing and Community
144 Development shall finance the complete cost of (1) the housing emissions audit; (2) all
145 preexisting environmental hazard remediation projects, if there are one or more preexisting
146 environmental hazards; and (3) the housing emissions renovation.

147 (b) When providing a housing emissions renovation for a home that is not located within
148 an environmental justice population but is located within a census tract with a median household
149 income that is lower than the statewide median household income, the Department of Housing
150 and Community Development shall (1) pay the entire cost of the housing emissions audit; (2)
151 pay the entire cost of all preexisting environmental hazard remediation projects, if there are one
152 or more preexisting environmental hazards; and (3) offer a financial subsidy for half of the cost
153 of the housing emissions renovation, and offer a 10-year, zero-interest loan sufficient to finance
154 half of the cost of the housing emissions renovation.

155 (c) When providing a housing emissions renovation for a home that is owned or leased by
156 a household with exactly 1 member which has a cumulative gross adjusted household income
157 that is below 40% of the statewide median household income, the Department of Housing and
158 Community Development shall finance the complete cost of (1) the housing emissions audit; (2)

159 all environmental hazard remediation projects, if there are one or more preexisting
160 environmental hazards; and (3) the housing emissions renovation.

161 (d) When providing a housing emissions renovation for a home that is owned or leased
162 by a household with exactly 2 members which has a cumulative gross adjusted household
163 income that is below 60% of the statewide median household income, the Department of
164 Housing and Community Development shall finance the complete cost of (1) the housing
165 emissions audit; (2) all environmental hazard remediation projects, if there are one or more
166 preexisting environmental hazards; and (3) the housing emissions renovation.

167 (e) When providing a housing emissions renovation for a home that is owned or leased by
168 a household with 3 or more members which has a cumulative gross adjusted household income
169 that is below 70% of the statewide median household income, the Department of Housing and
170 Community Development shall finance the complete cost of (1) the housing emissions audit; (2)
171 all environmental hazard remediation projects, if there are one or more preexisting
172 environmental hazards; and (3) the housing emissions renovation.

173 (f) The Department of Housing and Community Development may offer additional
174 financial incentives and subsidies for housing emissions audits, environmental hazard
175 remediation projects, and housing emissions renovations, when appropriate.

176 SECTION 7. (a) No later than one year after the enactment of this section, the
177 Department of Housing and Community Development shall complete an audit of (1) all of the
178 affordable housing units under the jurisdiction of the Department of Housing and Community
179 Development; and (2) all of the affordable housing units that are overseen by the Department of
180 Housing and Community Development.

181 The purposes of this housing audit shall be to (1) assess the condition of affordable
182 housing units under the jurisdiction of, or overseen by, the Department of Housing and
183 Community Development; (2) determine how those affordable housing units could be improved
184 through housing emissions renovations and preexisting environmental hazard remediation
185 projects; and (3) to make recommendations to the Energy Efficiency Advisory Council regarding
186 how to increase participation among affordable housing residents in energy efficiency programs.

187 SECTION 8. (a) The comptroller shall, on January 1, 2023, transfer \$1,000,000,000
188 from the federal COVID-19 response fund established in section 2JJJJ of chapter 29 of the
189 General Laws to the Clean Energy Investment Fund.

190 (b) Through the Clean Energy Investment Fund, the center shall make expenditures
191 pursuant to the following criteria: (1) not less than \$350,000,000 shall be allocated for the
192 purposes of funding energy efficiency initiatives designed to reduce greenhouse gas emissions
193 associated with providing heat and electricity to structures in the built environment through
194 implementation measures including, but not limited to, energy efficiency retrofits and electric
195 heat conversion in residential buildings in furtherance of the Residential Energy Efficiency and
196 Electrification Initiative, (2) not less than \$250,000,000 shall be allocated for the purposes of
197 establishing a financial institution or mechanism including, but not limited to, a “green bank”
198 responsible for facilitating clean energy investments including, but not limited to, energy saving
199 performance contracts, on-bill financing, and loan-loss reserves, and (3) not less than
200 \$150,000,000 for supporting clean energy infrastructure including, but not limited to, port
201 infrastructure and development related to supporting the clean energy industry in the
202 commonwealth.

203 (C) The remainder of the resources transferred to the Clean Energy Investment Fund
204 from section 2JJJJ of chapter 29 of the General Laws may be utilized for the following
205 purposes: (1) advancing clean energy research and technologies to commonwealth-based
206 investors, entrepreneurs and institutions that are involved in the clean energy industry; (2)
207 providing workforce development and technical training programs for public higher education
208 and vocational-technical education institutions; (3) developing a regional strategy for regional
209 employment boards to support the development of the clean energy industry; provided, however,
210 that regional employment boards shall publish their findings as an addendum to their workforce
211 development blueprints; (4) matching funds to secure future federal funding to support the clean
212 energy industry and clean energy research in the commonwealth; (5) supporting research and
213 development in the clean energy industry, including, but not limited to, the interrelationship
214 between clean energy infrastructure and existing natural habitats, ecosystems and dependent
215 species; (6) supporting improved outcomes from the development of clean energy resources; (7)
216 supporting the long-term coexistence and sustainability of the fishing and clean energy
217 industries; and (8) providing for the necessary and reasonable administrative and personnel costs
218 of the center or of the executive office of energy and environmental affairs related to
219 administering the fund.

220 (d) The center shall, in furtherance of the Residential Energy Efficiency and
221 Electrification Initiative and the establishment of decarbonization initiatives designed to reduce
222 greenhouse gas emissions, have the explicit authority to solicit private and nonprofit investments
223 to supplement the Clean Energy Investment Fund and initiatives established pursuant to the
224 Clean Energy Investment Fund including, but not limited to, loan loss reserve and energy savings
225 performance contracts. In furtherance of the Residential Energy Efficiency and Electrification

226 Initiative or the establishment of initiatives designed to reduce greenhouse gas emissions, the
227 Department of Housing and Community Development, the Executive Office of Energy and
228 Environmental Affairs, and the Massachusetts Clean Energy Technology Center shall also have
229 the authority to enter contracts or partner with outside entities, including, but not limited to,
230 green banks and climate banks initiated by the center.

231 (e) Notwithstanding any general or special law, the Department of Housing and
232 Community Development, the Executive Office of Energy and Environmental Affairs, and the
233 Massachusetts Clean Energy Technology Center shall seek out federal funding from any
234 reasonable available source to supplement the Clean Energy Investment Fund in furtherance of
235 the Residential Energy Efficiency and Electrification Initiative, including but not limited to, any
236 infrastructure funding, housing funding, tax credits, and loan programs.

237 (f) Residential Energy Efficiency and Electrification Initiative shall maximize the
238 availability of federal funding.

239 SECTION 11. Section 6 of said chapter 25A of the General Laws, as so appearing, is
240 hereby amended by inserting, after subsection 14, the following subsection:-

241 (15) develop and incorporate into the state building code, in consultation with the board
242 of building regulations and standards, requirements for preparing a structure for the future
243 installation of electric appliances or equipment sufficient to replace appliances or equipment that
244 consume fuel oil or fuel gas where doing so is likely to avoid costly future retrofits, preparing the
245 building for future potential installation of solar panels where doing so is likely to avoid costly
246 retrofits, and preparing the building for future installation of electric vehicle charging
247 infrastructure where doing so is likely to avoid costly retrofits; and ensuring that the on-site

248 electrical infrastructure including but not limited to circuit breakers and electrical infrastructure
249 providing power to the building can accommodate future installation of electric appliances, solar
250 panels, and electric vehicle charging infrastructure where doing so is likely to avoid costly
251 retrofits.