



**Testimony submitted to the Joint Committee on Telecommunications, Utilities and Energy
H.3203/S.2105 – An Act relative to the future of clean heat in the Commonwealth
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Climate laws enacted in the last legislative session mandate reduction of greenhouse gas emissions to net zero by 2050. A recent International Panel on Climate Change (IPCC) report warns that countries need to aim for net zero reductions by 2040 because of the ever-accelerating pace of climate change. It is the pollution caused by combusting fossil fuels that is the cause of the catastrophic climate change and health impacts we are already experiencing with increasing frequency. The message is clear: we need to stop combusting fossil fuels.

In Massachusetts, heating and cooling of buildings represents approximately 30% of heat trapping emissions in the state, second only to transportation. Decarbonizing buildings - from residences to large, commercial properties - is a huge challenge. It is estimated that approximately 80% of buildings that exist today will still be with us in 2050. The current gas utility model was designed for a different era and different needs.

Currently, gas utilities are incentivized to expand the gas pipeline network. Electric heat pumps are recognized as the most efficient way to heat and cool buildings. Sales of heat pumps exceeded sales of gas heating systems last year – *before* the arrival of significant federal tax credits.

The move to electric heat pumps is gaining momentum and now comes with many new incentives and tax credits from both the federal and state government. As more and more people and businesses switch to electric heat pumps, the customer base for gas will steadily diminish while the operating and maintenance costs of the gas system remain the same, increasing the cost burden for the remaining customers, and jeopardizing the viability of gas utilities through a shrinking customer base and stranded assets.

H.3203/S.2105 provides a regulatory and financial structure to transition gas utilities to thermal energy utilities with minimal disruption to the utilities, utility workers and customers over a 25 year period. Key features include:

- A regulatory structure through the Department of Public Utilities (DPU) to transition gas companies to become thermal energy companies;
- Greater transparency into the DPU decision making process;
- Permits gas utilities to distribute/sell non-emitting, non-combustible renewable energy and install the necessary infrastructure to support that distribution;
- Mandates gas company plans to transition from gas infrastructure to thermal energy infrastructure and pursue neighborhood-wide electrification projects with input from municipalities and customers;
- Incentivizes installation of thermal energy infrastructure and prohibits the depreciation of gas infrastructure past 2050.

A systems change that will facilitate the use of renewable, non-emitting and non-combustible energy is

needed for a new era. Gas utilities already have the right of way for the installation of new, thermal energy infrastructure, an expansive customer base and the work force to allow a transition away from fossil fuels. Transitions are always difficult, particularly when faced with an imperative for massive, accelerated restructuring of our energy system. H.3203/S.2105 provides a sound pathway to a new energy economy by restructuring rather than displacing gas utilities, retraining workers to keep them employed and repurposing their tradecraft as thermal energy utility workers rather than dismissing them. Equity is a central tenet of H.3203/S.2105, which includes provision of a Thermal Transition Trust Fund housed within the MassCEC to support a just and equitable transition for low- and moderate-income families as they electrify their homes.

Massachusetts has been a leader on climate action, passing major, transformative legislation into law since 2008. Implementation is the hard part. And it's the part we must get right. The need to decarbonize across all sectors of the economy as rapidly and efficiently as possible is a serious challenge at an existential level. The strategy outlined in this bill provides a practical, viable and groundbreaking approach for reducing emissions from a major source of emissions in our society by using an existing distribution system and workers while providing a model for the rest of the nation.

The League of Women Voters of Massachusetts and our 44 local Leagues serving over 100 communities from Cape Cod to the Berkshires urge you to report H.3203/S.2105 favorably.