

March 14, 2024

Dear City Manager Huang,

The City of Cambridge's Climate Committee is tasked with overseeing the City's Net Zero Action Plan and assessing progress on both an annual basis and in connection with the required 5-year comprehensive reviews. This letter addresses the Plan's status, progress in 2023, and recommendations on the Plan's content and implementation.

Fiscal Year 2023 has been marked by some important progress, yet missed goals highlight the importance of concerted effort to put the NZAP program on track for its 2050 and earlier goals. Further, the work done so far mostly has addressed the easiest tasks for us to undertake, because they are limited in the number of entities affected and many are under municipal control (*e.g.*, adoption of the opt-in code). Even on these, we're having mixed results. The remaining tasks will be considerably more challenging, which means we need to dive into them right away and devote considerable resources to them.

Summary

- We are making good progress in some areas we've tackled, particularly BEUDO (NZAP action 1.2), code adoption (2.1), and net zero requirements for municipal buildings (2.3).
- Technical assistance to property owners (1.1) has struggled, with interest (based on number of units) declining by roughly 30% from FY21 to FY22, and a similar decline from FY22 to FY23. We did not achieve our goals for FY23; substantial program redesign and inclusion of the new Blocpower program in FY24 show signs of being very helpful in addressing these issues, but without data on interest and completed conversions in FY24, it's too soon to tell.
- Rooftop solar (3.2.1) is happening, but much slower than needed to reach the 55 MW by 2030 target.
- Community solar (3.2.2) is paused and therefore not on track to meet the goal (5.5MW installed by 2030), and the goal also seems far too low given the number of people who can't do rooftop solar.
- The remaining more challenging tasks are critical to meeting our goals, and will be hard to do but well worth the effort (NZAP actions 1.3 non BEUDO buildings, 3.1 carbon-free energy supply, 3.3 off-site renewable electricity access, 4.1 financing). Our current efforts are not on track to meet the NZAP goals in any of these areas, and they require additional attention and resources as recommended below.

Recommendations

- Prioritize financing for building decarbonization – this is both a major challenge in meeting our goals, and a key equity issue. And it applies much more broadly than some other equity concerns; even homeowners with relatively high incomes are going to have difficulty acting without good financing options, tax reductions and/or abatements for those who electrify, or other mechanisms to help with the financial aspects of updating their properties.

- Immediately begin developing and expanding policy, programs, and incentives for decarbonization of the residential and small / medium commercial buildings not covered by BEUDO. This is a challenging task that will demand substantial community input from the beginning.
- Be responsible about the zero-sum nature of decisions on emissions reduction. If a measure required to meet our goals is rejected (for example, the removal of large residential buildings from the BEUDO emission requirements) then other measures with similar benefits need to be added.
- Continue and increase the City's efforts at lobbying the state to remove roadblocks to municipal action (for example, access to IRA funds, access to wind power, support/pressure on utilities for networked geothermal, grid modernization to support shift to electric power) on climate, as well as increasing support for actions that are more effectively undertaken at a regional or statewide level.
- Press utilities and regulators to address grid bottlenecks systematically for the whole city. The City should work intensively with Eversource to develop a plan for how the city's grid infrastructure will be upgraded to meet the electricity needs implied by our climate goals, to avoid situations where grid updates are managed on a per-project basis.
- Develop a clearer method of stating goals and reporting on progress. For example, the plan for each action area of the NZAP is represented by a Gantt chart and yet in the online review of FY22, the reader cannot always assess whether specific tasks have been undertaken or completed, or what results they produced. We observed the same issues with the FY23 data presented. In addition, release the data and the review of the previous year sooner so that staff and the community are not reviewing results that are 6-9 months old.
- Rename the NZAP to the "Buildings NZAP" to clarify that it is focused exclusively on buildings, particularly in light of the newly announced Transportation Net Zero Action Plan.

Our Committee has chosen to adopt a major focus this coming year on climate justice. The financing of decarbonization is crucial to the justice issue, an essential component in property owners' decision-making, and thus an area in which we need to make progress in order to achieve the emission reduction goals that motivate the Net Zero Action Plan and underpin the City's climate-related efforts.

On behalf of the Climate Committee,

Michelle Holmes, Chair
Mallorie Barber, Vice Chair