

January 9, 2025

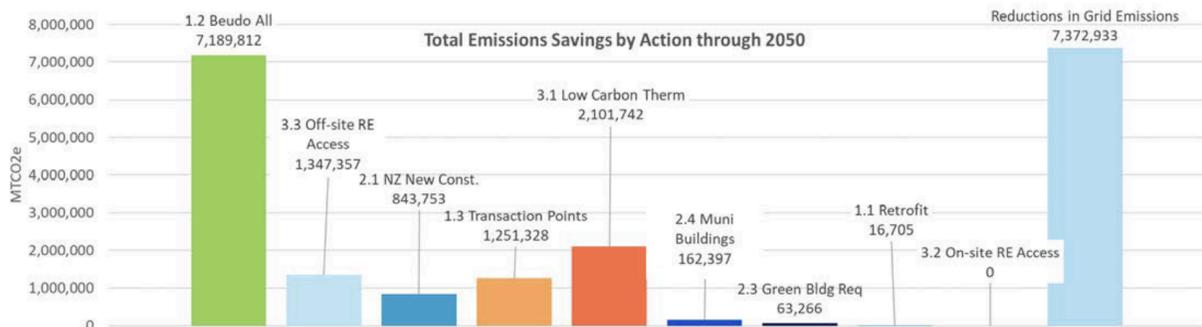
Dear City Manager Huang,

The City of Cambridge's Climate Committee is tasked with overseeing the City's Net Zero Action Plan (NZAP) and assessing progress on an annual basis. This letter addresses the Plan's status, progress in FY 2024, and recommendations on the Plan's content and implementation.

Cambridge continues to be a leader in climate policies and programs locally and nationally. In FY2024, the City made significant progress on the NZAP and climate work more broadly, including:

- The City achieved key BEUDO milestones, including winning grant funding for the resource portal, dedicating a full-time city position for managing BEUDO, and implementing the first phase of regulations.
- The City made significant progress on renewable energy projects, including two first of their kind Virtual Power Purchase Agreements (VPPA) and a networked ground source heat pump study. These projects set the foundation for renewable electrification of buildings and vehicles.
- The City hired a Climate Chief and initiated a Net Zero Transportation Plan, which we hope will ensure continued, coordinated progress across multiple climate priorities.
- The City moved forward the Electrify Cambridge retrofit program for residents and small businesses, a must-have lever to spread electrification across all city buildings, with promising but inconsistent engagement. This project has yet to show meaningful delivery of actual retrofits, due to constraints detailed below.

Continuing to focus on BEUDO and ensuring compliance will be key to hitting the City's emissions reductions goals. As shown in the chart below (source: NZAP 5-Year Update), BEUDO makes up a significant portion of the NZAP's total emissions savings.



Scaling beyond BEUDO requires actions spread across a much broader group: residents and small businesses. As the Committee identified in last year's letter, this will be difficult work based on the wide range of buildings involved and the more complex stakeholder structure. To be successful, the Committee identified three priorities for the next year. While all of these areas

are priorities, the Committee asks you to focus on dedicating financial and staffing resources to develop, test, and implement a residential building retrofit financing program (Priority 1 below).

- 1. Develop and Implement a Funding and Financing Program for Residential Buildings:** The high costs of retrofitting and decarbonizing the City's residential buildings are a major barrier to achieving the City's decarbonization goals. This challenge is identified in the Report: "In addition, individual project costs for many electrification measures remain expensive, even with incentives." High upfront costs are especially a concern for lower income residents and renters who may be unable to access many programs and/or more quickly priced out of their housing without the support of a comprehensive financing plan. We are hopeful that upcoming changes to the Mass Save Three-Year Plan will provide more robust support for low- and moderate-income households and renters, but recognize there are still gaps that the City can fill through a comprehensive program for homeowners and renters. Action 4.1 in the NZAP (Local Carbon Fund) intends to address this challenge, but minimal progress has been made to date. The City should explore creative financing opportunities, such as utilizing transfer fees from commercial buildings covered by BEUDO and better understanding the true limitations of the anti-aid amendment. **The City must prioritize making progress on Action 4.1 by dedicating funding and staff time to explore, test, and implement a funding and financing program for residential buildings.**
- 2. Develop a "One-Stop-Shop" Engagement Strategy for All Residents and Business Owners:** The City and the State offer multiple climate-related programs for residents and small business owners, but based on qualitative data gathered by the Committee, many individuals do not know about the program offerings or how to access them. Additionally, the BlocPower and Electrify Cambridge programs have demonstrated many challenges of building retrofits, including long and misaligned decision-making timelines, multi-stakeholder engagement needs, and uncertainty about costs and new technologies. The landscape of available programs and supports is fragmented and decentralized, rather than coordinated and widely accessible. Further, when educational programming is offered, such as the Electrify Cambridge session in August '24, participation peaks, but drops off without a sustained engagement plan. **To ensure all residents are leveraging resources for building retrofits, the City should (1) develop and implement an intentional and coordinated engagement plan and (2) create a "one-stop-shop" for all residents and businesses to receive information and support through the decarbonization process for both mandatory and voluntary retrofits.** These actions will further strengthen and be strengthened by the comprehensive funding and financing program described above.
- 3. Update Metrics to Focus on Impact:** Current NZAP metrics focus on task completion (e.g., adopt net zero stretch code) or program participation (e.g., BlocPower and Electrify Cambridge participation, BEUDO reporting compliance), rather than the key impact measurement we are looking for: emissions reductions. As the City's plans and programs mature, the goals should shift to focus on the actual impacts of implementation. As a part of this shift, City leadership should evaluate programs based on the actual impact on emissions reductions, rather than just leading indicators. This same principle can be applied in other areas beyond building emissions.

**The Committee recommends the City should focus on setting and tracking impact measures when updating the NZAP next year.**

We thank you for your time and dedication to meeting the City's decarbonization goals equitably and urgently. We look forward to seeing the progress this City will make in the next year towards funding and financing residential retrofits, engaging and supporting residents and small businesses, and setting and tracking ambitious goals.

Thank you,

Mallorie Barber  
Climate Committee Interim Chair