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Nine States Pledge Joint Action to Accelerate Transition to Clean Buildings

New Memorandum of Understanding sets a goal for highly efficient heat pumps to make up 65% of residential heating, cooling and water heating equipment sales by 2030 across participating states

Industry experts say MOU bolsters market shift to high-efficiency, zero-emission electric technologies, and away from fossil fuels in effort to stabilize energy bills, improve health, and cut climate pollution amid extreme weather challenges

Boston, Mass. — States from coast to coast have signed a joint agreement to accelerate the transition to pollution-free residential buildings by significantly expanding heat pump sales to meet heating, cooling and water heating demand in coming years. The Memorandum of Understanding (MOU), led by the Northeast States for Coordinated Air Use Management (NESCAUM), has been signed by directors of environmental agencies from California, Colorado, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon and Rhode Island.

Under the MOU, these states have set a shared goal for heat pumps to meet at least 65% of residential-scale heating, air conditioning and water heating shipments by 2030 and 90% by 2040 across the participating states. States will also collaborate to collect market data, track progress, and develop an action plan within a year to support the widespread electrification of residential buildings. This MOU builds on a September 2023 commitment from the U.S. Climate Alliance's member states and territories to quadruple heat pump installations by 2030.

"Heat pumps and building electrification are the future for healthier homes and a thriving green economy," said Maryland Department of the Environment Secretary Serena McIlwain. "This multi-state partnership will help Maryland meet its ambitious climate goals and strengthen a coalition of states for cleaner air and better health outcomes."

New York State Department of Environmental Conservation Commissioner Basil Seggos said, "Buildings are the top contributor to greenhouse gas emissions in New York State and actions are well underway to significantly reduce the amount and impact of these emissions on the State level. This new multi-state agreement and the strengthened partnership with participating states will bolster New York State's ongoing efforts to replace fossil fuel infrastructure and install heat pumps in more homes for the benefit of public health and the environment while setting an example for other states to follow."

Buildings are a hidden source of air pollution, which comes from combustion of fossil fuels in furnaces, boilers and water heaters. According to NESCAUM, fossil-fueled heating equipment

across the participating states emits annually over 138,000 tons of smog-forming nitrogen oxides (NO_x) and 6,000 tons of fine particulate matter, causing increased risk of heart attack, asthma events, premature death, and many other adverse health outcomes. Buildings also emit annually 173 million metric tons of CO₂ across participating states.

"Rhode Island is proud to join partner states in signing this MOU, which strengthens our commitment to green building investments in order to meet the mandated emissions reductions under RI's Act on Climate," said Terry Gray, Director of the Rhode Island Department of Environmental Management (DEM). "The residential heating sector is a primary driver of climate change and remains a large source of our state's GHG emissions at nearly 20% according to our most recent emissions inventory. Accelerating the transition to zero-emission buildings is an essential step in reducing these harmful emissions that worsen climate change, will advance green energy development, and will help improve the air quality that our residents breathe every day."

"Buildings play an important role in achieving climate and air quality goals, and efforts that bring zero-emissions solutions are critical to achieving decarbonization," said Dr. Steven Cliff, Executive Officer for the California Air Resources Board, the state's lead agency for air pollution control efforts and climate change programs. "California is glad to contribute to an effort that implements innovative solutions to building operations and helps create healthy, vibrant communities."

Building electrification promises to deliver widespread health benefits, particularly in densely populated communities with high levels of air pollution.

"New Jersey is proud to join sister states committed to climate action in signing this agreement, which will reduce the carbon footprint of buildings by spurring greater use of energy-efficient, non-polluting heat pumps," said New Jersey Environmental Protection Commissioner Shawn M. LaTourette. "Implementing zero-emission concepts such as these into our homes and daily lives is integral to addressing the worsening effects of climate change. This effort will benefit our economy, create jobs and contribute to healthy air."

"Decarbonizing the heating sector is a key element of the Massachusetts Clean Energy and Climate Plan and critical to meet our aggressive climate goals for 2030 and beyond," said Massachusetts Energy and Environmental Affairs Secretary Rebecca Tepper. "Working with other states on the transition to zero-emission buildings will not only advance our work, but also will build on our longstanding collaboration to address climate change, reduce air pollution, improve public health, and promote sustainability."

To pave the way for widespread adoption of heat pumps, the agreement emphasizes collaboration with key stakeholders, including heat pump manufacturers and HVAC installers. The transition to efficient electric heating, cooling and water heating has the support of major market players and manufacturers.

"To achieve our shared decarbonization goals, we need to send an unmistakable signal to the marketplace that zero-emission homes are the future. This agreement does that," said Matt Rusteika, Director of Market Transformation, Building Decarbonization Coalition. "We applaud

NESCAUM and state leaders for a commitment that is ambitious, flexible, and pragmatic. We're looking forward to the exciting work ahead."

A <u>recent letter</u> from business-focused Ceres united 24 businesses, investors and building owners and operators in stating support to accelerate heat pump adoption. Last year, <u>ten of the nation's largest manufacturers</u> committed to help California achieve its target of 6 million heat pumps by 2030.

"State policy is critical to accelerating the adoption of building technologies that are good for the climate and good for business. Initiatives that encourage collaboration across state lines to develop best practices are essential to accelerating this transition," said Alli Gold Roberts, Senior Director of State Policy, Ceres. "Ceres and the companies we work with applaud today's memorandum of understanding for its detailed, collaborative, and ambitious approach to cut pollution from the building sector."

To lead by example, states signing the NESCAUM-led MOU committed to promote installation of zero-emission, grid-interactive technologies in existing state buildings. States also seek to direct at least 40% of efficiency and electrification investments to benefit low-income households facing high energy burdens and communities historically burdened with elevated air pollution levels.

"States taking action on this hidden source of pollution are not only delivering healthier air to breathe and a livable climate for their citizens, but also working to ensure that those most burdened by high energy costs and polluted air are the first to benefit," said Emily Levin, Senior Policy Advisor, NESCAUM.

Journalists may request media interviews with NESCAUM staff and signatory state environmental offices about the MOU by contacting: Emily Levin, NESCAUM, elevin@nescaum.org, 617-259-2046.

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About NESCAUM

As the association of air quality agencies in the six New England states, New Jersey, and New York, NESCAUM catalyzes, guides, and supports state initiatives to improve air quality and address climate change. Formed as a nonprofit organization in 1967 to address air pollution from New England power plants, NESCAUM is the oldest regional air quality organization of its kind. Today, NESCAUM addresses a wide spectrum of air quality, climate, and energy issues on behalf of its member states and their collaborating partners and provides a forum for states to work together to address climate and energy challenges on a collective basis, both regionally and nationally.