

July 16, 2025

Dear President Tamash, Vice President Clark, and Council members:

I am Barry Sheingold, a resident of Marstons Mills, and serve as Chair of the Infrastructure and Energy Committee. Our committee sponsored a workshop back in March on the Stretch Code and Green Communities designation, and we wanted to provide you with an update that we believe is material. It pertains to recent Department of Public Utility (“DPU”) proceedings that would significantly reduce the cost of electricity for residential heat pump users.

First, the relevant context.

The building energy stretch code, as we explained in the workshop, applies to new residential construction and large additions to residential buildings. Using efficient electric heat pumps for heating and cooling instead of using fossil fuels makes it easier to comply with the stretch code because the standards are more lenient than where natural gas or oil is used for heating. This was done as an incentive for heat pumps which play a large part in achieving the Commonwealth’s greenhouse gas reduction mandate. We also talked about how the MASS SAVE incentive programs contribute to making the upfront costs of heat pumps more cost-competitive, which is another aspect of the Commonwealth’s climate policy.

More recently, the DPU has started two proceedings that affect the operating costs of heat pumps. In response to a working group headed by the Department of Energy Resources (“DOER”), the DPU opened a proceeding that will address electric heat pump rates for the state’s three regulated utilities for the 2026-27 winter season and also directed Eversource to propose seasonal heat pump rates for the upcoming winter season. The Eversource proposal, as stated in its filing, would reduce the electric costs of heat pump usage by 15 percent and would make it slightly less expensive to use heat pumps for heating and cooling than natural gas heating and conventional air conditioning. The working group proposal would make heat pump usage substantially less expensive than the Eversource proposal (about 5 cents per kWh less during the winter season). So there is a strong probability that the electric operating costs of heat pumps will be slightly less expensive than that for natural gas heating and air conditioning for next January, when the stretch code, if adopted by the Town Council, could become effective. And it could be substantially less expensive the following year (hundreds of dollars less expensive) if the DOER working group proposal is adopted by the DPU. Both DPU proceedings (Docket Nos. 25-08 and 25-55) are now pending.

The reasons for these changes are twofold. The first reason is to encourage people to convert to heat pumps to address the climate crisis. The second reason is to structure the delivery charges for heat pump users to more appropriately reflect the extent that they contribute to the costs of the electric power system (which are primarily fixed costs). Heat pumps use more electricity in

the winter for heating and less in the summer for cooling (relative to conventional HVAC) while the electric system as a whole is summer peaking (total aggregate usage is highest in the summer), and utility investment is required to meet these peaks. Under the current rate structures, heat pump users pay more than they arguably should based on cost-causation principles. Under the proposed heat pump seasonal rates, both the working group's and Eversource's, heat pump users would have substantially lower winter rates to address this issue (as well as to encourage people to install heat pumps). At the same time, these optional seasonal rates for heat pump users would not impact the rates of those who don't use heat pumps. The key takeaway here is that the new heat pump rates will make compliance with the stretch code even easier for homeowners in the context of new construction and large addition projects.

And while the stretch code will only apply to relatively few new residential buildings and major additions, the benefits of hundreds of thousands of dollars in grants for municipal energy projects as well as technical assistance would apply to the entire Town and its taxpayers. The stretch code regulations were updated earlier this year by DOER to make them more lenient, flexible and narrower in scope, and were supported by the Commonwealth's Home Builders and Remodelers Association. And as Chris Mazzola, the HERS rater stated, you can reasonably comply with the stretch code without using heat pumps.

If adopted, Barnstable will join every other town on the Cape and Islands in adopting the stretch code and qualifying as a Green Community. Doing so would conform with the 2020 Town Council policy to eliminate greenhouse gas emissions to the extent feasible in light of the climate crisis. Our committee supports adoption of the stretch code and applying for Green Communities designation.