

February 20, 2019

MA Energy Efficiency Advisory Council  
c/o Department of Energy Resources  
100 Cambridge Street  
Boston, MA 02114

VIA EMAIL

Re: Final Passive House Incentive Funding Amounts

To Whom it May Concern,

Over the past decade, WinnDevelopment has established itself as an industry leader in developing sustainable, environmentally responsible multifamily housing in the Commonwealth and throughout the Northeast. Winn is fully committed to developing scalable and cost-effective energy solutions in affordable housing.

In just the past 1-2 years, the multifamily industry has learned a great deal about the benefits of the Passive House standard. Passive House buildings demand high quality construction and integrated design that greatly reduces or eliminates thermal bridging and air infiltration, resulting in a tested and verified high performance, durable building envelope. With an improved building envelope, and balanced ventilation with heat recovery, a Passive House building's heating and cooling demands are substantially lower than even a Stretch Code compliant Energy Star certified building. This translates into consistently lower operating costs, making multifamily Passive House buildings more affordable to operate. Passive House buildings are also more resilient to extreme temperatures, less reliant on fossil fuels, and more comfortable for residents with improved indoor air quality and less noise concerns.

Despite proven benefits, Passive House construction standards are still new and extremely challenging for the construction and subcontractor industry to embrace, especially in today's market. WinnDevelopment has found that integrating the Passive House standard may add approximately 5% (or \$12,500/unit) to the total cost for new construction buildings, including fees for design, testing/consulting, and hard construction costs. Construction cost premiums are primarily attributable to removing thermal bridging and enhancing building envelope details, which are critical for constructing a super low energy building. To successfully achieve the low infiltration rates required to reduce the building's heating and cooling demand, it is critical for the entire project team to implement rigorous inspections and testing throughout construction, above and beyond any requirements expected for other green rating systems. This cost premium is difficult, if not impossible, to overcome for affordable multifamily projects that are already facing escalating construction costs and scarcer and more competitive financing sources.

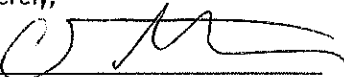
WinnCompanies is encouraged by the Massachusetts Clean Energy Center's Passive House Design Challenge and the Passive House Massachusetts' efforts to spur Passive House education and training throughout the state. With early demonstration projects and training, we expect the 5% premium to decline year over year. We applaud the EEAC's ongoing support and leadership described in the new three-year plan, including the extensive energy efficiency investments made possible through MassSave and the LEAN Program over the past several years. Creating and preserving affordable and mixed income housing is more important today

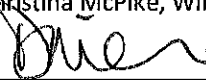


than ever. Furthermore, Passive House and Zero Net Energy Ready construction standards are critical for achieving the state's carbon reduction goals by 2050.

To meaningfully impact the feasibility of building more Passive House multifamily housing in Massachusetts, greater financial resources must be available to enable this market transition. We respectfully request the EEAC reconsider the proposed funding levels for Passive House new construction programs. Along with our peers and partners, we recommend increasing the proposed incentive awards from \$2,000 per dwelling unit to at least \$4,000 per dwelling unit. At this higher funding level, developers and owners will still face challenges to overcome the cost delta to build to Passive House standards, but a more robust incentive is both reasonable and necessary to achieve more high performance buildings in the Commonwealth.

Sincerely,

  
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Christina McPike, WinnCompanies

  
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Darien Crimmin, WinnCompanies

