

Business Better (Season 4, Episode 9): Sustainability Spotlight – A Conversation with Vicinity Energy

Speakers: Brendan Collins, Jeannie Morris, and Matt O'Malley

Steve Burkhart:

Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, Steve Burkhart. After a long career at global consumer products company BIC – where I served as Vice President of Administration, General Counsel, and Secretary – I'm now Special Counsel in the Litigation Department at Ballard Spahr, a law firm with clients across industries and throughout the country.

This episode is part of our Sustainability Spotlight series, which highlights the sustainability efforts that businesses are making to combat climate change and other environmental challenges. Today's episode features a discussion with Matt O'Malley, Chief Sustainability Officer, and Jeannie Morris, Vice President of Government Affairs at Vicinity Energy. Vicinity Energy is the largest owner and operator of district energy systems in the U.S. and the first in the nation to offer carbon-free eSteam™ to rapidly decarbonize customers and achieve net zero carbon emissions across all operations. Our guests share the ways Vicinity is combating the climate crisis and why more businesses need to take action now.

Leading the discussion is my Ballard Spahr colleague Brendan Collins, a Partner in Ballard's Philadelphia Office and Leader of the firm's Manufacturing and Consumer Products Industry Group. So now let's turn the episode over to Brendan.

Brendan Collins:

Hello and welcome to the Ballard Spahr's Sustainability Spotlight Podcast. I'm your host, Brendan Collins. I'm a member of the Environment and Natural Resources Group here at Ballard Spahr and also the leader of the firm's Manufacturing and Consumer Products Industry Group.

This podcast takes a look at innovative approaches to sustainability by companies operating in this space. And today I'm very happy to welcome two representatives of Vicinity Energy to our show. We're joined today by the Chief Sustainability Officer, Matt O'Malley, and by the Vice President of Government Affairs, Jeannie Morris.

Hello, Matt and Jeannie.

Matt O'Malley:

Great to be with you Brendan.

Jeannie Morris:

Hello.

Brendan Collins:

Welcome to our podcast, and we're very grateful for the time that you've given us today. Can you start off though by telling us all a little bit about Vicinity Energy and what it does?

Matt O'Malley:

Absolutely. Vicinity Energy is the United States' largest district energy system. We are serving 12 US cities. Our largest is Philadelphia. Our second largest is Boston/Cambridge, where I'm based out of. And then our third is Baltimore. We're also in Kansas City, Grand Rapids, Tulsa, Oklahoma City, we service the Watergate building in Washington, DC, Atlanta, the list goes on and on. We are a thermal energy private utility.

Now, your listeners may or may not be familiar too much with district energy systems and what they are. This is a very old technology that is constantly evolving. The idea behind a district energy system could actually trace its roots to Roman times. In the modern era, it was a fellow named Birdsill Holly, who was a contemporary of Thomas Edison, who built a coal-fired boiler in his backyard. He ran about a hundred feet of wooden piping to his house. Realized there was very little line loss. It heated his house quite nicely. He knocked on his neighbor's door across the street and said, "Would you like free heat?" The neighbor said, "Of course." They ran another pipe to his neighbor's house. And that was the first modern iteration of what a district energy system is. It's essentially a central location with a boiler or with a way to generate thermal energy and then a series of underground pipes that can help deliver that.

We at Vicinity have been constantly evolving, much like the district energy system, where you originally had coal-fired boilers, which then transitioned to oil in the 1950s or so, natural gas in the 1980s and 1990s. Then there was a process known as cogeneration, or CHP, combined heat and power, which is capturing waste heat off of electric generation, which is the most efficient way to burn a fossil fuel, but it's still burning a fossil fuel. And what we are now solely focused on is how we decarbonize that, how we're able to provide a great reliable service to our customers while also meeting this moment that we must as a business, as a utility, decarbonize quickly, efficiently, and on target. That's precisely what Jeannie and I and our colleagues are so lucky to be in the business of doing.

Brendan Collins:

That's terrific. Your geographic distribution has a variety of different types of communities involved, and you've indicated that Philadelphia and Boston are the largest of your two systems. Can you tell us whether there are sort of similarities and differences in the needs and goals of these communities?

Matt O'Malley:

What's interesting about district energy systems is that, as I mentioned, the technology goes back, and in many cases, the pipes go back 60, 70, 100. These are systems that are typically found in older cities. They are in every state across the Union. They're in many old European cities as well. In fact, the European prototype on decarbonization of the district energy assets is really what has motivated and helped us catch up in that regard.

But these are systems that make sense for denser parts of cities; downtown neighborhood cores, health centers, hospitals, hotels, municipal and government buildings, stadiums, many iconic buildings that you know in these old cities, typically are customers. It wouldn't necessarily make sense to run lateral pipes or extensions that would go into more residential neighborhoods. There's an opportunity there with network geothermal and some other really new, promising emerging technologies. District energy systems primarily serve older cities, as well as campuses, colleges, universities, as I mentioned, health centers, hospitals, will oftentimes have their own district energy systems as well.

Jeannie Morris:

Right. What I'll add to that, to answer your question more specifically, is if you look at the customer profile across the cities we serve, they tend to be the same. They are large commercial buildings. Like Matt mentioned, we serve stadiums, we serve in Philadelphia, the Art Museum, we serve Amtrak's building. So it's not necessarily the customer portfolio per se that looks different. From the standpoint of each individual system, it's how we're creating that steam. So there's no cut and paste from one city to the other as to how we're doing it. In some, we're using combined heat and power to create the steam and in others we're using gas-fired boilers.

So the customer profile tends to be the same. It's how we're getting that steam to our customers that can be different.

Brendan Collins:

The product that your customers are buying from Vicinity Energy is the steam, the heat. What are the challenges that Vicinity Energy has in reducing its own emissions or in implementing its vision of what sustainability means for Vicinity's operations?

Matt O'Malley:

We at Vicinity are very ambitious and very cognizant of the fact that this is an absolutely crucial time. When you talk about the climate crisis, it's not a stretch to say it is the existential threat to us all of our time. We are seeing the impacts now that 10 years ago we used to think we would need to act on climate for our kids and for our grandkids. Now we're seeing weather patterns changes, extreme heat and just the havoc that can come from that.

So, as a business, we have a responsibility obviously to our customers to offer a quality product, as we've been doing for many, many years, but we also have the responsibility to this planet. And the notion that sound ambitious environmental policy is somehow at odds with good business practices is just simply not true. And I think that we've proven that.

So we certainly are the leaders in the US. One of the interesting things about the district energy world is that you don't have typical competitors among district energy systems. There's no place on the planet where you would have two competing district energy sets of pipes next to one another. So there really has been a great opportunity to work together to share best practices. And that's precisely what we've been doing. We've had folks from Con Ed, which is New York, which is Manhattan, the largest district energy system in the country, visit our plant, learn what we're doing, figure out ways that we can support one another. So that's been really interesting to see how we've led.

But again, what's motivating us is either legislation in certain states or cities that are mandating decarbonization goals for buildings, many of which we serve, as well as internal ESG goals that many of our customers and our clients have internally. Recognizing the fact that they know investing in clean tech and green tech now is not only the right thing to do for their bottom line, but it's also what we have to do as citizens of this planet.

Jeannie Morris:

And just to add to what Matt's saying about what are some of the challenges we face. It tends to be that we have this long history of what I would say being the best kept secret in the cities we serve. Many of our stakeholders, many of your listeners today, probably the first question they asked is what is district energy? I think oftentimes we find ourselves a little behind the eight-ball, especially in cities and states where there are legislative mandates toward building decarbonization. It's getting in front of our stakeholders to remind them that we are here.

We often say that district energy is fuel agnostic. Matt and I always argue kind of the opposite, that we are very thoughtful in the fuel that we want to use moving forward. And the fact is, it doesn't have to be a fossil fuel. We can decarbonize our system. And in cities like Philadelphia, where we serve about a hundred million square feet of commercial space, that's a lot of buildings to decarbonize, and we can do it fairly easily. Well, nothing's easy, but we can do it fairly quickly.

Brendan Collins:

When you are talking about decarbonizing building infrastructure, what you are talking about to me, sounds like your customers, who may themselves have sustainability goals and objectives, are turning to you, to Vicinity Energy, for help with their own sustainability objectives. Is that true? And how does Vicinity Energy assist in that?

Matt O'Malley:

Well, the greatest impact we can have is change how we create the steam. By moving off of fossil fuels and looking at electrically generated steam, looking at some really innovative heat pump technology, which we are bringing to Boston, and we're bringing to Philadelphia, which has been in use to great success in countless European leading sustainability cities, by changing the creation of the steam, at the creative source, the impact of our customers in these buildings, and we hope new customers, will see a dramatic reduction in the scope 2 emissions that come to their buildings.

When we talk about the climate crisis, and we talk about lowering emissions, people often think, "Well, that's cars, that's planes, that's transportation." That, of course, is part of it. But when you're looking at old denser cities like Boston, buildings account for 68 or 69% of all emissions in the city. Go to Philadelphia, which is a little more dense, that number is closer to 75%. That's a staggering statistic that I think people don't fully comprehend.

I know I didn't until I really got into this work, at the city level in my prior role as a city counselor, that if we want to get serious about emission reduction, we have to look at buildings because that can have a profound impact. Once we do that, once we put the focus on buildings, there's a number of avenues that we have to follow. There's no silver bullet. There's no one strategy. Certainly, building envelope is important. Certainly, looking at efficiencies that can be made right off the bat, all those are important things. But actually looking at how we are changing how we deliver thermal energy, that's going to be profound and that's what our customers are clamoring for.

Again, it's being driven by a couple of drivers at this point. One is mandates and legislation passed at the local or at the state level, which we've seen in a number of cities, and that's certainly growing. And the other is internal ESG goals that our customers may have. We can solve for both.

Jeannie Morris:

And when you're looking at who is impacted the most by climate change, it's no leap to say it's environmental justice communities. I think one of the unique things we bring to the table is we're eliminating greenhouse gas emissions at the source. So whether that's taking scope 1 emissions out of buildings by replacing on-site gas or oil burners with district steam or decarbonizing our downtown systems at the source, we are impacting air quality in the cities we serve. We're not purchasing offsets to decarbonize. And no knock on offsets; they certainly have their place in the market, but when you're actually taking the fossil fuel out of the city, you're making a huge impact on the EJ communities.

Brendan Collins:

So, in the communities in which you operate, where are you seeing these sorts of government mandates to greater efficiency or carbon reduction?

Matt O'Malley:

It's a great question. So there's a couple of steps. By way of my background, and truly what brought me to Vicinity, was 11 years in public service. I was a city counselor in Boston. I worked with a former legendary Boston mayor named Tom Menino on an ordinance back in 2013, which was called BERDO, an acronym for the Building Energy Reporting and Disclosure Ordinance. That was a benchmarking ordinance in 2013, which mandated that all buildings need to report their utility usage. And it was, believe it or not, for what now seems like a rather small bore local law, it was quite controversial at the time. It almost didn't pass. It was a closer vote than the city council normally sees, and then it was signed into law.

After it was signed in by Mayor Menino, a funny thing happened on the way to implementation where we actually saw many building owners and developers who were skeptical or thought that such a local law would be seen as a government overreach or proprietary information which needn't be shared, recognized how just doing an inventory and managing your assets was actually a smart business play. Building owners discovered that they could actually save money by turning off escalators that were running 24 hours a day. By installing light sensors in the restroom, they could actually save a significant amount of money. And we saw an adoption north of 90%, which is quite rare in a local ordinance right off the bat.

Fast-forward to eight years after our benchmarking and eight years of data collection in the city, we, under then Mayor Marty Walsh, implemented what was known as BERDO 2.0. Began the work under Marty Walsh. It was implemented later. We kept the law. We kept the data. We changed the acronym to the Building Emissions Reduction Disclosure Ordinance. And that set some pretty aggressive five-year deadlines or timelines for buildings, industry-specific, to then show a reduction in their carbon intensity and carbon usage.

It allowed for flexibility with the buildings. It recognized the fact, to a point Jeannie just made, the importance of not only the climate crisis, but also recognizing that those impacted receive relief. We created an environmental equitable investment fund, which would collect funds associated with this, and redistribute it into terms of building the tree canopy or decarbonizing existing stock or building new infrastructure. It was a pretty wide array of sources that could be used. That's regarded as a pretty successful building decarbonization bill. That's in Boston.

Before that, New York City implemented what's known as Local Law 97. You've got other building tune-up laws that have passed in Philadelphia. Washington, DC has been very aggressive. The list goes on and on, where you've got cities, to a lesser

extent, states, although credit where credit is due, the state of Maryland has put forth a pretty ambitious decarbonization law as well that we've been very closely working with Governor Moore's administration, and it's really ambitious and aggressive, good timelines.

So you're seeing it at the local level; cities, states, come through in recognizing the fact that we need to be serious about this. For years, you would have cities make these grand pronouncements on carbon reduction, and they would say, "We're going to decarbonize our buildings by 50% by 2030, 70% by 2040, and 100% by 2050," and we'd all shake hands and pose for a photo op. I appreciate the sentiment, but there was never really a good road map on how to get there. And that's now, I think, changing. You're seeing more and more cities take an active role in passing legislation that can help accomplish this.

Brendan Collins:

You mentioned this, Matt, that there's a phenomenon that happens in these situations where aspirations turn into laws without necessarily clear implementation plans. It seems that Vicinity has worked pretty hard to help provide some clear-eyed vision as to how some goals, maybe not the original goals, but some goals can be achieved, can be workable. What sort of stakeholders do you perceive as necessary to bring to the table to create a really workable regulatory scheme?

Matt O'Malley:

It's such a great question because it's the most important part of actually writing and implementing effective legislation is building a coalition of stakeholders, bringing folks from the business community, bringing folks from the utilities, bringing folks from organized labor, from community organizations, with legislators, with regulators, having honest discussions and finding a common ground where not everyone's going to always be happy.

I can tell you when we did BERDO 2.0, there was a drive to have a more aggressive timeline, and I appreciated the urgency of action, but it also would mean that we'd lose support from some of the folks in the building real estate sector. So we kind of split the middle, and we had five-year reductions that would allow us to keep that aggressive pace, but also have a little more flexibility in order to protect the support that we had. So you need to bring in folks, you need to be serious, you need to be willing to work a little harder, and you need to be nimble.

We wrote our decarbonization plan, and it's pretty exhaustive. And again, it's been emulated by some other cities and some other district energy systems. But one thing that we've tried to do, and I think we've done successfully, is meet at all levels of government. Meet with mayors, meet with governors and cabinet officials, meet with city councilors to figure out ways that we could be part of the solution. Also recognizing the fact that we're not the only solution. This has to be an ecumenical approach to tackling the climate crisis. We need to be implementing as many players. And as long as folks are willing to operate from a position of good faith, we're going to get there.

I firmly believe that as long as businesses step up and do the right thing, and as long as you've got elected officials and appointed regulators who are also willing to work, we can absolutely solve this. The blueprint, the green print, has been written elsewhere, and we just need to follow it, and we just need to come together. And I'm one of the most hopeful environmentalists because, while the work is daunting, we can absolutely get it done.

Jeannie Morris:

I would just add to give credit where credit is due, for any state or municipal government looking to pass a building performance standard and how to build these types of coalitions, take a look at the city of Boston. They did it right. Take a look at the Green Ribbon Commission. The makeup of the Green Ribbon Commission was everything from environmental stakeholders, to Matt's point, to labor groups, to building owners, to large companies in the city, brought them into the room, and I would venture to guess not everybody walked away 100% percent satisfied, and I think that's when you know have a good bill.

Brendan Collins:

So we've talked a lot about sustainability almost as a service by Vicinity Energy in terms of, as you mentioned Jeannie, displacing the scope 1 emissions that would be occurring at customer buildings with their own individual heat sources,

typically fossil fuel-fired in some way or another, with a centralized steam loop service coming from Vicinity Energy for its own operations, for its own scope 1 emissions. Are there particular goals or approaches that Vicinity Energy is applying that are relevant to our discussion?

Jeannie Morris:

Absolutely. So I would say as we look at our plans to decarbonize our systems, we're looking at the largest sources of greenhouse gas emissions first. So that's our gas boilers, the boilers that we solely use to create steam, and replacing those with electric boilers. And as we get deeper into our plans, we'll run our cogeneration plants less and less. As Matt mentioned earlier, it's the most efficient way to burn a fossil fuel, but we're still burning a fossil fuel. And as more and more renewables come onto the market in places such as New England, we expect that our cogen plant in the Boston/Cambridge area will run less and less, again, helping reduce our own scope 1 emissions.

Brendan Collins:

Well, so I reviewed the Vicinity Energy information, the website about sustainability, which contains a lot of fascinating information, but one of the things that caught my eye was this reference to e-steam. Can you tell me a little bit about that?

Matt O'Malley:

E-steam is electrically generated steam. Earlier in our conversation I talked about Birdsill Holly and building the coal-fired boiler. Coal was a source of generating thermal energy for many, many years. Luckily, it upgraded to oil, which was better, but still not good. That upgraded to gas. Better than oil, but still not good. And then cogeneration. So it's been this trajectory. And by, once again, changing how we create that steam and using electrically generated sources to create, including renewable sources, we're able to offer renewable thermal energy. We're doing it through really a three-pronged approach.

The first is we are swapping out our gas-fired boilers with electric boilers. In fact, the largest electric boiler in the United States is about three miles away from where I'm sitting right now in Cambridge, Massachusetts at our plant at Kendall Square, and that will be operational this summer. This is something that takes about a little less than a year to actually build, deliver this thing as a mammoth piece of equipment, and it'll be delivering electrically generated steam soon.

The second aspect, and probably the most profound impact we're going to have, is we are building two industrial heat pump complexes. The first will be in Boston/Cambridge serving here. The second will be in Philadelphia. And that will allow us to harness energy from the Charles River or the Schuylkill River to help create steam. Many people are familiar with how heat pumps work. I have air source heat pumps at my house. Ground source heat pumps are probably the most efficient. We're looking at a water-based heat pump. We currently have water intake permits because we accept some water. So this is a way that we can work within those parameters. The technology is really amazing.

The city of Glasgow, Scotland, unveiled their water source heat pump that would then feed into their district energy system at COP 26, I believe it was, a couple of years ago. Copenhagen does that. I was actually in Copenhagen with some folks about a month ago looking at how they're doing precisely what we will be doing here in a couple of years. That's going to have the most profound impact.

And then the third piece that we're looking at is thermal storage. This is something that is going to pace both offshore wind development in New England and probably more solar development in Pennsylvania, which will allow us to procure renewables at the off-peak. For wind specifically, wind blows the heaviest from about 10:00 PM to about 2:00 AM, which aren't exactly great drains on the grid, which is one of the reasons why you have suppressed pricing in West Texas and some of the other markets. This will allow us to procure wind and therefore create more wind turbines to be built offshore. And then shift the peak from, again, 10:00 PM to 2:00 AM until about 5:00 to 7:00 AM, which is our peak time, because that's when we heat the buildings that we serve downtown before humans arrive at them.

So that's how we can stay cost-competitive, recognizing that renewables are at a higher price point. We think that will level out a little bit as more and more come online, but that's one way that we're going to be able to serve and also support the development and the additionality of more renewable resources and infrastructure.

Brendan Collins:

So the thermal storage would take advantage of that off-peak pricing. Is your system already set up to store the calories, to store the steam? How does that work?

Matt O'Malley:

It will be. Of the timeline of our three steps, the e-boiler, again, is going to be within a matter of weeks. And I can't believe I'm saying that. This has been something that's going to be so exciting. The heat pump is probably going to be, at least in Boston, end of '27, early '28. The thermal storage will likely be closer towards the end of the decade. Again, it's being paced by offshore wind development. The mechanics behind it, it's essentially hot rocks or hot ceramics. So you're basically heating up these rocks. It will be in a very, very, very thick and safe thermos, for lack of a better word, and then you'd be able to then release that to then create the steam several hours later.

Brendan Collins:

That's fascinating.

Jeannie Morris:

Similar to heat pump technology, the concept of thermal storage isn't new. I think we are, of course, looking at newer technologies, but we are already using thermal storage at many of our systems to great success on the chilled water side for summer cooling. For example, in Baltimore, we have one of the largest ice storage facilities in the US, where we take advantage of low power prices in the overnight hour. We essentially freeze the water, and then we use it during the day during peak demand to cool the buildings we serve.

Brendan Collins:

So the steam service you provide, is that useful in both heating and cooling buildings?

Jeannie Morris:

Sure, absolutely. We do heating in the winter, cooling in the summer.

Matt O'Malley:

Some buildings would have on-site chillers. Others could be delivered that way. I had a very similar thought when I first understood that we were doing heating and cooling. But yes, we do serve both. Not to all customers, not in all districts, but in many.

Brendan Collins:

Right. So do you run a separate chilled water loop in some districts? Is that what you're doing in Baltimore, for example?

Matt O'Malley:

Yes, that's correct.

Jeannie Morris:

That is correct.

Brendan Collins:

So, listen, when I think of steam loops like Vicinity Energy operates as its district energy system, I think of that as a heating product. Is that a misconception of what you do?

Matt O'Malley:

I wouldn't say it's a misconception. Most of what we do is certainly heating, but it's thermal energy and the technology exists that it could be cooling, there could be on-site chillers, there could be a separate cooling loop, but certainly we do thermal energy, so heating and cooling. Most of what we are doing is heating, but we are seeing an increased demand for cooling as, unfortunately, the planet gets hotter and hotter. And we're sitting in different cities that have all hit 90 degrees today.

Brendan Collins:

So some buildings can use steam for cooling, but you also run chiller lines in some of your district energy systems. Is that right?

Matt O'Malley:

That's correct. Some buildings have on-site chillers. Steam is a very versatile product. It's used in a system known as processed steam. So it's one of the reasons why we're such a good fit for hospitals and health centers where we sterilize instruments before surgery or there's certain humidification that labs might need. So there's a lot of energy packed in steam and it's a very versatile product. And by changing the way we create it and using innovation and sustainable and environmentally sound practices, we're able to continue to offer such a great product at a tremendous benefit to our planet.

Brendan Collins:

That's good. Now, talk a little bit about some nuts and bolts with this three-part approach that you're detailing, Matt, about bringing in electric boilers, bringing in heat pump technology, and ultimately bringing in thermal storage into the system. That represents a transition away from the scope 1 emissions of the system both towards scope 2 emissions but also reducing scope 2 emissions. Is that a model that you see is able to be duplicated?

Matt O'Malley:

Oh, without question, and it's what utilities must do. If we're going to get serious about the climate crisis, then it's incumbent upon legislation and legislators, it's incumbent upon businesses, but it's very much incumbent on utilities as well.

So, by changing how we create steam, by implementing electric boilers, by procuring renewable energy either directly from the grid, which we are able to do in a number of our larger districts such as Philly and Boston, or working with different recs or other opportunities, we're able to promote more growth of renewable infrastructure. By looking at the heat pump, we're going to be able to create steam at an incredibly high COP, which is the coefficient of performance, basically the efficiency rate that heat pumps use. And then, by utilizing thermal storage, we're able to make this pencil, we're able to procure renewable energy at a time where it's a lot more cost competitive.

So these are three examples that will mean we lower our scope 1 emissions, how we create this energy. And the buildings that we serve, we'll be able to see a dramatic reduction in their scope 2 emissions.

Jeannie Morris:

And just to put a finer point on something that Matt mentioned earlier about district energy systems not competing with each other in the cities we serve. We are able to share this information across companies in a way that allows cities that are not necessarily on the Vicinity system to decarbonize as well.

Under Local Law 97, in New York City, buildings have to decarbonize. We've been working very closely with that utility to talk about what each of us is bringing to the table to help decarbonize the steam loops, because they are an essential part of a city's decarbonization plan. If you are telling large commercial buildings that you have to get rid of fossil fuel, take onsite boilers out of your buildings, it is nearly impossible to then go into every single one of those buildings and put in individual electric heat pumps without being a massive strain on the electrical system. By doing it at our central location, we're balancing the load that's coming into the city, and then we're able to produce the thermal energy that goes out to the buildings.

Matt O'Malley:

I would just add, when I talk about utilities, obviously I'm focused on district energy and Vicinity's district energy system, but using new innovation and studying what is working and looking at particularly many European countries who've been doing this with a little bit more urgency than perhaps we have, there's opportunities for the electric grid and how we're going to green it, which is going to be a very difficult, timely process, but there are ways to do it. When you look at the gas company, we're seeing some great success on network geothermal. It's a similar concept in many ways to district energy and what we're doing, but it's a little bit different. But it's drilling down and that's a huge opportunity to repurpose gas piping infrastructure.

At the end of the day, the reason why we're so passionate about this is because we've got 40 miles of pipe underground in the city of Philadelphia. We have 26 miles of pipe underground in the city of Boston, in the city of Cambridge, combined. By changing how we create energy at the source, we can then leverage those existing assets and the benefit will be felt dramatically and quickly and impactfully.

Brendan Collins:

Well, how do the lessons of Boston, that Matt described, apply in other cities? Say, for example, Philadelphia?

Jeannie Morris:

I don't mean to imply that the city of Philadelphia is getting left behind. There is genuine interest amongst some of the city stakeholders to do something. There is a vast recognition among city council members that the city will never meet its 2050 net-zero goals if it doesn't do something about its largest source of greenhouse gas emissions, and that's building an industry. So there is interest to do something.

I think where Philadelphia is now is probably where the city of Boston was in 2020, and that is building a coalition to understand what is best for the city and how they move forward. Because these rules are not a one-size-fits-all. You could not take BERDO 2.0 and drop it into legislation in Philadelphia and expect it to work. It's going to look different. But as long as the end goal is the same, and we're all getting to the same place, that's okay.

Brendan Collins:

I think that's a great place to leave it. I want to thank both of our guests. Again, it's Matt O'Malley, the Chief Sustainability Officer, and Jeannie Morris, the Vice President of Government Affairs, both from Vicinity Energy, who were kind enough to share their experiences today in the sustainability space and the developments in district energy.

I thank you for listening, and I look forward to being with you again next time on Sustainability Spotlight. Thank you very much.

Steve Burkhart:

Thanks again to Matt O'Malley, Jeannie Morris, and Brendan Collins. Make sure to visit our website, www.ballardspahr.com where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple Podcasts, Spotify, YouTube, or your favorite podcast platform. If you have any questions or suggestions for the show, please email podcast@ballardspahr.com. Stay tuned for a new episode coming soon. Thank you for listening.