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October 31, 2022

**CERTIFICATE OF THE SECRETARY OF ENERGY AND ENVIRONMENTAL AFFAIRS
ESTABLISHING A SPECIAL REVIEW PROCEDURE**

PROJECT NAME : Unified Parkway Industrial Development
PROJECT MUNICIPALITY : Millbury and Sutton
PROJECT WATERSHED : Blackstone
EEA NUMBER : 16593
PROJECT PROPONENT : UGPG RE Sutton LLC
DATE NOTICED IN MONITOR : August 24, 2022

Pursuant to the Massachusetts Environmental Policy Act (MEPA; M.G.L. c. 30, ss. 61-62L) and Section 11.09 of the MEPA regulations (301 CMR 11.00), I hereby establish a Special Review Procedure (SRP) to guide the MEPA review of this project. Notice of the issuance of this SRP will be published in the next edition of the Environmental Monitor on November 9, 2022.

Project Description

The Expanded Environmental Notification Form (EENF) filed in August 2022 described a redevelopment project, located in the Towns of Sutton and Millbury which consists of the redevelopment of an approximately 448-acre site with three warehouse and distribution buildings totaling up to 2.4 million gross-square-feet (gsf) (the "Full Build Project"). The initial phase of the Full Build Project ("Phase 1"), the focus of the EENF, is at an advanced stage of design, and consists of the construction of the first warehouse building, totaling approximately 343,200 square feet (sf) with 208 surface parking spaces (90 spaces for vehicle parking and 118 for trailer parking) and associated infrastructure, including a stormwater management system, water mains, and sewer mains. Phase 1 will include the partial construction of a new internal access drive, referred to in the EENF as the "Unified Parkway." Only the section of Unified Parkway from Boston Road to the site access drive for Phase 1 will be constructed as part of this first phase. As described in the EENF, the Phase 1 portion of the project is at an advanced stage of design and has received all necessary local approvals, whereas the

future development on the remaining lots comprising the project site (Lots 1 and 2) is either not imminent (Lot 2) or unknown (Lot 1).

Jurisdiction and Permitting

The project (Full Build) is undergoing MEPA review and is subject to preparation of a mandatory Environmental Impact Report (EIR) because the project requires an Agency Action, and exceeds, at minimum, the MEPA review threshold at 11.03(1)(a)(2): the creation of ten or more acres of impervious surface. The project is expected to additionally exceed the MEPA review thresholds at 11.03(1)(a)(1) and 11.03(6)(a)(6): the direct alteration of 50 or more acres of land, and the generation of 3,000 or more New adt on roadways providing access to a single location (respectively).

Phase 1 alone will result in the creation of ten or more acres of impervious area (20 acres), and also exceeds the ENF threshold at 301 CMR 11.03(1)(b)(2): creation of five or more acres of impervious area. The Full Build Project, but not Phase 1 alone, requires a Vehicular Access Permit from MassDOT due to anticipated off-site improvements to mitigate the traffic impacts of the Full Build Project. The project is subject to the MEPA GHG Emissions Policy and Protocol.

Phase 1 and a portion of the Full Build Project received Site Plan Review and Approval, and Special Permits, from the Sutton Planning Board. The Sutton Conservation Commission issued an Order of Conditions for Unified Parkway on January 25, 2022 that was not appealed, and a separate Order of Conditions for Phase 1 and a portion of the Full Build Project was issued on July 8, 2022, which also was not appealed. Future phases may require an Order of Conditions from the Millbury Conservation Commission (or in the case of an appeal, a Superseding Order of Conditions from MassDEP) as well as Site Plan Review and Special Permits from the Sutton Planning Board and Millbury Planning Board. The project requires a National Pollutant Discharge Elimination System (NPDES) Stormwater General Permit from the Environmental Protection Agency (EPA).

Because the Proponent is not seeking Financial Assistance from the Commonwealth for the project, MEPA jurisdiction extends to those aspects of the project that are within the subject matter of required or potentially required State Agency Actions and that may cause Damage to the Environment as defined in the MEPA regulations.

SPECIAL REVIEW PROCEDURE

The Proponent requested that I establish an SRP in accordance with 301 CMR 11.09 to accommodate the particular circumstances of the Full Build Project. Consistent with 301 CMR 11.09(1) and 301 CMR 11.09(4)(b), an SRP is appropriate for large developments like the Full Build Project that will be constructed in phases, particularly when the Full Build Project is undefined or is expected to evolve during MEPA review. As described in the EENF, Phase 1 is at an advanced stage of design, has received all necessary local approvals and does not individually require any Agency Actions, whereas future development on the remaining portions of the project site is either not imminent or unknown. The purpose of the SRP is to bifurcate review of the proposed redevelopment project, and to allow Phase 1 to proceed through MEPA review and permitting prior to advancing the design of future development.

The Proponent has indicated that Phase 1 is needed immediately to meet the Proponent's operational needs and to consolidate the Proponent's warehouse operations from across several locations; upon establishment of this central headquarters, the Proponent intends to expand operations and continue to develop the remainder of the project site. As described in the EENF, the Phase 1 portion of the project is at an advanced stage of design and has received all necessary local approvals, whereas the future development on the remaining lots comprising the project site (Lots 1 and 2) is either not imminent (Lot 2) or is unknown (Lot 1). Further, the EENF indicates that the consolidation of the Proponent's existing operations at the Phase 1 site near its current headquarters in Sutton (223 Worcester-Providence Turnpike) will result in an over 90 percent reduction in tractor-trailer miles traveled between the Proponent's other facilities and its current headquarters. While this reduction pertains to emissions on a regional level and not for the project, the EENF notes that the estimated reduction in GHG emissions for the Proponent's regional operations would exceed the total estimated stationary and mobile source emissions expected to be generated by the Phase 1 building.

Participating Agencies do not object to establishment of an SRP for the Full Build Project. In particular, MassDOT has indicated that an Access Permit is not required for Phase 1, though a Permit will be needed for the Full Build Project in light of the cumulative impacts of all phases. Due to the modest impacts of Phase 1 and the fact that no traffic mitigation is needed for this phase alone, MassDOT indicates agreement with Phase 1 proceeding to construction ahead of review of the Full Build Project. The Proponent acknowledges that the cumulative traffic impacts of the Full Build will need to be considered through future reviews prior to issuance of an Access Permit and Section 61 Findings by MassDOT.

Based on the information in the EENF and SRP request, and consultation with Agencies, I concur that a project specific procedure, as provided for in Section 11.09 of the MEPA regulations, will enhance the review of the Full Build Project. The SRP will support advancement of Phase 1 while facilitating additional consideration of alternatives and measures to avoid, minimize, and mitigate environmental impacts for the future phases at a later time. Subsequent reviews will consider the cumulative impacts of the Full Build Project prior to issuance of final Section 61 Findings. The development of Phase 1 will proceed in such a way that infrastructure, roadways and utilities that will be needed to support Phase 1 neither rely on nor preclude any additional infrastructure, roadways and utilities that will be implemented as part of future development of the Full Build.

Phase 1

As noted above, Phase 1 of the project includes construction of a 343,200-sf warehouse (referred to as Building 3) and distribution facility with 208 parking spaces (90 vehicle spaces and 118 for trailer parking). Phase 1 on its own does not require an Agency Action. Although Phase 1 alone exceeds a mandatory EIR threshold (specifically, the creation of 10 or more acres of impervious area), the EENF provided a comprehensive assessment of potential environmental impacts and proposed mitigation for Phase 1 and included an alternatives analysis for this phase. I issued a Certificate on the EENF on September 30, 2022, which granted the Proponent's request to establish an SRP in order to allow Phase 1 to proceed. As noted in the EENF Certificate, the issuance of an SRP was contingent upon the

provision of supplemental greenhouse gas (GHG) analysis of Phase 1 to the Department of Energy Resources (DOER).¹

The Proponent's consultant provided the supplemental GHG analysis for Phase 1 to the MEPA Office and DOER on October 11, 2022. Specifically, the Proponent provided additional analysis of the "right-sized" hybrid electrification approach (electric at 20% peak, gas at 100% peak). The analysis asserts that this option is not feasible based on cost. Comments from DOER (dated October 17, 2022) note that the cost estimate indicates a cost premium for a smaller "right-sized" hybrid system that is more than double the cost of the larger system that was analyzed in the EENF. Comments from DOER reiterate that when considering the required emissions reduction measures under the Stretch Code, the Phase 1 building has near-negligible emissions reductions and is essentially a "code" building. The GHG analysis did not make any changes to the stationary source GHG reduction measures previously committed to during review of the EENF (heat pump water heating for office areas; 10 parking spaces with EV charging and remaining parking spaces EV-ready; R-37 roof; U-0.046 wall; U-0.36 windows). The Proponent continues to assert that the estimated reduction in regional mobile source GHG emissions for the Proponent's regional operations will exceed the total estimated stationary and mobile source emissions expected to be generated by Phase 1. In light of the lack of state permitting required for Phase 1 and the asserted emissions reductions associated with consolidation of warehouse operations, I find that no further MEPA review is required for Phase 1. However, I expect that the remaining phases of development will provide significant and meaningful GHG mitigation commitments given what DOER indicates are near near-negligible emissions mitigation measures proposed for Phase 1. The SRP for future phases (described below) requires a multi-step review of each building to ensure that GHG mitigation measures are appropriately analyzed, and adequate mitigation proposed, and the cumulative impact of all phases will be reviewed.

Future Phases

The EENF indicated that the future build-out of the project site is not defined, but could include approximately 2,053,200-sf of additional warehouse and distribution space in two additional buildings with up to 2,050 vehicle parking spaces and up to 630 trailer parking spaces (the "Full Build Project"). The Full Build Project is anticipated to require an Access Permit from MassDOT as project-generated trips are anticipated to impact the Worcester Turnpike (Route 146), a state jurisdictional roadway. The EENF indicated that one of the potential future buildings on Lot 2 (referred to as Building 2) has already been locally approved and that development on Lot 1 (referred to as Building 1) is unknown. The EENF indicated that it is the intent of the Proponent to describe, analyze, and identify mitigation commitments for the development of the remainder of the site in one filing, which would include the cumulative impacts of the Full Build Project inclusive of Phase 1. Based on this, I expect that the next MEPA filing will address the remainder of the Full Build Project with the potential exception of the GHG analysis for Building 1. In addition, further phasing of the project may be possible, as described below.

Project Commencement Notice (PCN) – Remainder of Full Build

Prior to commencement of any future phase of development, the Proponent should submit a Project Commencement Notice (PCN) to describe the work proposed as the remainder of the Full Build

¹ Refer to the EENF Certificate for a more detailed discussion of the environmental impacts and associated mitigation measures for the Phase 1.

Project. The PCN should contain the level of information consistent with an Environmental Notification Form (ENF), including an alternatives analysis, overview of impacts of the next phase (including but not limited to traffic, land, impervious area, stormwater, water/wastewater, and construction period impacts) and a description of measures to avoid, minimize, and mitigate said impacts. The PCN should also contain an updated review of cumulative impacts of the Full Build Project (including but not limited to a Traffic Impact and Access Study), and an update on the consolidation of business operations and associated GHG emissions reductions that were described in the EENF for Phase 1.

As the project is located within one mile of Environmental Justice (EJ) populations, the PCN shall comply with the requirements of the *MEPA Public Involvement Protocol for Environmental Justice Populations* and *MEPA Interim Protocol for Analysis of Project Impacts on Environmental Justice Populations*. It should also include an analysis of the project's vulnerabilities to climate change and a discussion of measures to improve the resiliency of the site to such impacts, in accordance with the *MEPA Interim Protocol on Climate Change Adaptation and Resiliency* and the Climate Change section of the ENF form. The PCN should also include a response to comments submitted on the EENF with respect to the Full Build Project.

The Proponent may request a Single Environmental Impact Report (Single EIR) provided that the PCN provide a level of detail sufficient to support the request, including a GHG analysis for Building 2 (Lot 2). As described below, the GHG analysis for Building 1 (Lot 1) may be deferred if in the event GHG information on this building is not available. If a GHG analysis will be included in the PCN, the Proponent shall consult with DOER prior to submitting the PCN, in order to confirm the energy modeling scenarios that should be evaluated in the PCN. I will issue a Certificate that outlines a Scope for a Single or Draft EIR. The Single or Draft EIR should address the Scope provided in the Certificate on the PCN and should be prepared in accordance with 301 CMR 11.07. A finding of adequacy on the Single or Final EIR shall indicate that MassDOT may issue partial Section 61 findings; however, final Section 61 findings and a Vehicular Access Permit shall not be issued until completion of MEPA review for the Full Build Project.

Future GHG Analysis

As noted above, the Proponent may elect to defer the GHG analysis for Building 1 (Lot 1) if information necessary to complete the GHG analysis for this building is not available when the initial PCN is submitted. If GHG analysis is deferred, the analysis shall be provided in the form of a 2nd PCN once the building design has progressed such that the necessary information is available. The Proponent shall consult with DOER prior to submitting the PCN, in order to confirm the energy modeling scenarios that should be evaluated in the PCN. Upon review of the PCN, I will issue a Scope for a Supplemental EIR. A finding of adequacy on the Supplemental EIR containing the GHG analysis for the last phase comprising the Full Build Project shall indicate that MassDOT may issue final Section 61 findings and a Vehicular Access Permit for the Full-Build project.

Additional Phasing

The Proponent is contemplating additional phasing of the project due to uncertainty regarding future tenants and the timing of Building 1 (Lot 1). In particular, the Proponent has indicated that, as Building 2 (Lot 2) has been locally permitted, the Proponent may elect to proceed with construction of

this building prior to review and permitting of Building 1 (Lot 1). The Proponent has also indicated that construction of Unified Parkway from the Phase 1 Project to Providence Road is a condition of local permitting for Phase 1.

In the event the Proponent elects to proceed with Building 2 (Lot 2) together with construction of Unified Parkway ahead of review and permitting of Building 1 (Lot 1), it shall provide documentation to the MEPA Office of consultation and concurrence by MassDOT and a demonstration that full construction of Unified Parkway and Building 2 will not result in impacts to state-jurisdictional roadways and, therefore, will not require a Vehicular Access Permit from MassDOT. The documentation should clearly indicate, with supporting documentation, that plans for development of Building 1 (Lot 1) are not imminent, such that information for this future phase is not available for purposes of MEPA review.

Upon submission of the above documentation, the MEPA Office may allow a separate filing for Building 2 (Lot 2) and the remainder of Unified Parkway. The separate filing shall take the form of a PCN that addresses all impacts and proposed mitigation of the applicable components of the project, and shall comply with MEPA EJ and Climate Change Adaptation and Resiliency protocols. It shall include an alternatives analysis for the alignment of Unified Parkway and a demonstration that the extension of Unified Parkway through the project site (and construction of Building 2) would not require the implementation of any other future phase or restrict the means by which potential environmental impacts from any other phase of the Project may be avoided, minimized or mitigated. The PCN shall include a GHG analysis for Building 2 (Lot 2) in a format satisfactory to DOER. The Proponent shall consult with DOER prior to submitting the PCN, in order to confirm the energy modeling scenarios that should be evaluated in the PCN. Upon review of the PCN, the Secretary shall issue a Scope for a Single or Draft EIR. A finding of adequacy on a Single or Final EIR shall indicate that MassDOT may issue partial Section 61 findings; however, final Section 61 findings and a Vehicular Access Permit shall not be issued until completion of MEPA review for the Full Build Project.

In the event a PCN is submitted for Building 2 (Lot 2) and the remainder of Unified Parkway, the remainder of the Full Build Project shall be submitted as a 2nd PCN, following the procedures described in the “*Project Commencement Notice (PCN) – Remainder of Full Build*” section above. However, in this instance, GHG analysis for Building 1 (Lot 1) shall not be deferred.

Citizens Advisory Committee

The MEPA regulations at 310 CMR 11.09(3) allow for the establishment of a Citizen’s Advisory Committee (CAC) to assist with public and agency review and comment. In this case, I find that a CAC is not warranted to support the SRP or MEPA review given the limited scope of the Full Build Project.

Circulation Requirements

The PCNs submitted pursuant to this SRP should be circulated pursuant to Section 11.10(7) of the MEPA regulations (including all those who commented on the EENF and any prior PCN filed pursuant to the SRP). Any EIRs filed pursuant to this SRP should be circulated pursuant to Section 11.16 of the MEPA regulations (including all those who commented on the PCN that was reviewed and

resulted in a Scope for the EIR).

Modification of the Special Review Procedure

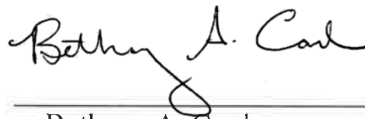
If the Proponent wishes to change any provision in this SRP, they may file a request for modification of the SRP. The Secretary will then review the request and issue an Amended SRP if appropriate.

Term of SRP

This SRP shall expire five (5) years from the date of this SRP or when the development program described herein is complete, whichever is later. This term is subject to the project change and lapse of time provisions under 301 CMR 11.10. The parties shall meet and confer as to the need to amend or terminate the SRP, if the development program described herein has not been completed within ten years of the date of this SRP. The signatures below indicate consent by the Proponents, including their successors and assigns, to the establishment of this SRP and agreement to comply with the provisions outlined herein.

October 31, 2022

Date



Bethany A. Card

Secretary of Energy and Environmental Affairs

October 31, 2022

Date

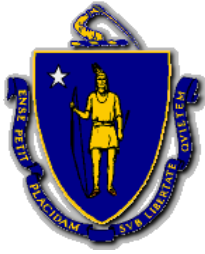


Arthur Mahassel

UGPG RE Sutton LLC

Comments received:

10/17/2022 Department of Energy Resources (DOER)



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17 October 2022

Beth Card, Secretary
Executive Office of Energy & Environmental Affairs
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Attn: MEPA Unit

RE: Unified Parkway Industrial Development, Sutton and Millbury, MA, EEA #16593

cc: Maggie McCarey, Director of Energy Efficiency, Department of Energy Resource
Patrick Woodcock, Commissioner, Department of Energy Resources

Dear Secretary Card:

We've reviewed the 11 October 2022 memorandum containing additional post-EENF information which contains a revised cost estimated for a "right sized" hybrid electric system. The project includes a 343,200-sf warehouse/distribution center (heated only). About 11,000-sf (3%) of this area is expected to have office use (heated and cooled).

The objective of this letter is to comment on the cost estimate and to provide recommendations for future warehouse buildings.

EENF Cost estimate – September 2022

In September 2022, as part of the original EENF, the proponent shared the following cost estimate for all-gas system and a near-fully redundant hybrid system. The near-fully redundant hybrid included heat pump (HP) equipment sized to 67% of the peak heating.

Unified Parkway Industrial Development, EEA No. 16593
Sutton and Millbury, Massachusetts

	September 2022				Right Sizing based on September 2022		
	all gas	near full redundant	Unit cost per ton		all gas	right sized	
gas size (tons)	600	600			600	600	
HP size (tons)	0	400			0	120	
HVAC Gas	545,500	545,500	909		545,500	545,500	
HVAC HP		2,654,500	6,636			796,350	
Elec Gas	65,000		108		65,000		
Elec HP		499,800	1,250			149,940	
Structural HP		120,000	300			36,000	
Incentive HP		(400,000)	(1,000)			(120,000)	
total	610,500	3,419,800	-		610,500	1,407,790	
cost per square foot	1.78	9.95			1.78	4.10	
premium cost over all gas		8.17				2.32	

The cost of the all-gas system was estimated as \$1.78 per square foot while the cost of the redundant system was estimated as \$9.95, resulting a premium over all-gas of **\$8.17**.

We noted in our EENF response that the near-redundant approach is cost inefficient and that a “right-sized” hybrid system using electric heat pumps sized to 20% of peak would cost much less and be almost as effective in reducing emissions.

In our EENF response, we calculated normalized unit costs (\$/ton) based on the cost and size information provided by the proponent. Prorating shows that a right-sized system (600 ton gas, 120 ton electric Heat pump) has a cost premium over all-gas of **\$2.32**.

We concluded that this modest premium for a right-sized system was an effective means of addressing the building’s insufficient mitigation, thus we recommended this approach.

Post EENF Cost estimate – October 2022

Less than a month later, in October 2022, the proponent presented a new cost estimate presenting the cost of an all-gas system and a right-sized hybrid system. This new estimate shows that a right-sized hybrid has a premium cost of **\$4.69**, more than double the premium cost (**\$2.32**) noted above.

	September 2022				October 2022			
	all gas	near full redundant	Unit cost per ton		all gas	right sized	Unit cost per ton	increase in unit cost
gas size (tons)	600	600			500	500		
HP size (tons)	0	400			0	100		
HVAC Gas	545,500	545,500	909		605,000	605,000	1,210	33%
HVAC HP	-	2,654,500	6,636			1,075,000	10,750	62%
Elec Gas	65,000		108		68,200		136	26%
Elec HP		499,800	1,250			625,000	6,250	400%
Structural HP	-	120,000	300			100,000	1,000	233%
Incentive HP	-	(400,000)	(1,000)			(120,000)	(1,200)	20%
total	610,500	3,419,800			673,200	2,285,000		
cost per square foot	1.78	9.95			1.96	6.65		
premium cost over all gas		8.17				4.69		

We note that this second estimate, conducted less than a month after the first, shows gas-related unit costs (green highlight) going up between 26 to 33% while heat pump-related unit costs (yellow highlight) going up between 62 to 400%.

It's understood that costs and size are probably not entirely linear and that unit costs of systems will go up with decreased size. However, it seems improbable, for example, that 400 tons of heat pump equipment would cost \$6,636/ton in one estimate and 100 tons of heat pump equipment would cost 62% more at \$10,750/ton in a different estimate (by the same contractor, less than one month apart).

Without additional information and explanation concerning improbable increases in heat pump equipment unit costs in the October 2022, we cannot draw conclusions regarding this second estimate.

Without full or hybrid electrification of space heating, the proposed warehouse building continues to have insufficient mitigation. Lower air-infiltration and ventilation heat recovery, both unevaluated, could also be worthwhile.

Recommendations for Future Warehouse Buildings

Our recommendations for future warehouse buildings are as follows:

1. Incorporate hybrid, or full, electrification of space heating. Electrification is “state of practice” for other similar building that we have reviewed. Hybrid electrification is very impactful in reducing emissions. For the proposed warehouse building, for example, Mitigation Level can be improved from 2% to 13%, an improvement of over x6, with this one measure.
2. Together with electrification, evaluate low TEDI strategies, such as:
 - a. low air infiltration (0.25 cfm/sf at 75 Pa), confirmed with field testing;
 - b. ventilation air energy recovery of at least 50%;
 - c. Both (a) and (b).
3. For warehouse office space, commit to air source VRF systems equipped with heat recovery.
4. Ensure that the building design and construction properly account for thermal bridges. Thermal breaks should be incorporated to ensure that the proposed wall, roof, and window performance is being delivered. Thermal bridge accounting as described in the Building Envelope Thermal Bridging Guide can be used.
5. Report the following for all scenarios, separated for the office and warehouse spaces:
 - i. Heating and cooling thermal energy demand intensity TEDI (kBtu/sf-yr)
 - ii. Heating and cooling peak loads for each month (MBH)

- iii. Peak energy use for each month, broken down by energy type (gas/elec) (MBH)
- iv. Total annual heating and cooling (MMbtu/yr)
- v. Total annual energy use, broken down by energy type (MMbtu/yr)

6. Include life cycle cost assessment with the following:

- All costs of gas utility construction and upgrades.
- Electric utility upgrade costs at time of construction, or, in the future, in the case of the gas scenario (which could be a high-cost retrofit). For lower-TEDI scenarios, reduced electric upgrade costs as appropriate.
- Replacement costs at end of life;
 - For a gas scenario, added electric and structural upgrades for conversion to electric heating with possible additional premium due to retrofitting during period when building is in service.
- For lower-TEDI scenarios, HVAC equipment should be downsized to reflect smaller equipment needs.

7. For the office space, report the solar heat gain coefficients (SHGCs) used for the baseline and proposed scenarios and possible external shading strategies. Cross reference with the cooling TEDI and peak load information above to evaluate whether additional improvements are warranted.

Sincerely,



Paul F. Ormond, P.E.
Energy Efficiency Engineer
Massachusetts Department of Energy Resources