

HOUSE No. 3279

The Commonwealth of Massachusetts

PRESENTED BY:

Edward F. Coppinger

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to modernize our natural gas infrastructure.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|----------------------------|---------------------|------------------|
| <i>Edward F. Coppinger</i> | <i>10th Suffolk</i> | <i>1/27/2021</i> |
| <i>James M. Murphy</i> | <i>4th Norfolk</i> | <i>2/19/2021</i> |

HOUSE No. 3279

By Mr. Coppinger of Boston, a petition (accompanied by bill, House, No. 3279) of Edward F. Coppinger and James M. Murphy relative to natural gas leaks. Telecommunications, Utilities and Energy.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2828 OF 2019-2020.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act to modernize our natural gas infrastructure.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 164 of the General Laws, as appearing in the 2016 Official Edition,
2 is hereby amended by inserting after Section 144 the following section:-

3 Section 144½.

4 (a) As used in this section, the following words shall have the following meanings:

5 “Grade 3 leak” shall have the meaning set forth in Section 144(b)(4) of this chapter.

6 (b) The department shall have the authority to fine gas distribution companies for Grade 3
7 leaks, and the proceeds from such fines shall be used to fund projects to mitigate the effects of
8 such gas leaks on public health and public infrastructure, and reduce communities’ exposure to
9 such gas leaks. Without further appropriation, and for purposes consistent with this section, the

10 department shall use such fines to administer this program, with the balance of any funds
11 distributed to municipalities, in proportion to the impact gas leaks have on their municipality, for
12 the purposes described above.

13 (c) Within twelve months of the effective date of this section, the department shall begin
14 the imposition of fines for Grade 3 leaks and shall issue regulations governing the imposition of
15 such fines, including the allocation of the proceeds of such fines to efforts to reduce
16 communities' exposure to leaks, and the process of auditing the Grade 3 leaks reported by gas
17 distribution companies to the department. The regulations shall address at least the following:

18 (1) The regulations shall set forth a schedule of fines for Grade 3 gas leaks, setting
19 forth an annual amount to be paid by a gas distribution company for leaks reported to the
20 department. The department may impose a fine for any Grade 3 leak, provided that it shall
21 impose a fine for each Grade 3 leak greater than one year old. The department may vary the fine
22 amount for a leak based on the age of a leak, the volume of gas released by a leak, or other
23 factors in the judgment of the department;

24 (2) The regulations shall set forth parameters for the use and disbursement of the
25 proceeds of such fines by the department. The regulations shall provide that all proceeds be used
26 to reduce communities' exposure to gas leaks, and the department may allocate proceeds to
27 projects to replace trees and other resources impacted by gas leaks, measures by the department
28 to audit or check a gas distribution company's annual reporting of Grade 3 leaks, or such other
29 activities which reduce communities' exposure to gas leaks and potential to suffer harm from
30 such leaks. The regulations may provide that proceeds of fines may be used directly by the
31 department to enhance its operations, and may be distributed to municipalities for purposes

32 consistent with this section. The regulations shall ensure that the proceeds of fines are distributed
33 so that the projects and work funded by the fines are directed to municipalities or regions in
34 approximately the same proportion as fine revenue is derived from said municipalities or regions
35 over time;

36 (3) The regulations shall set forth a process and standards for auditing the annual
37 report of Grade 3 leaks reported by gas distribution companies to the department as part of the
38 annual service quality standards report required by sections 11 and 144. These standards shall
39 address how the department will review and consider any report of Grade 3 leaks provided to it
40 by third parties, including municipalities and community organizations. The department shall
41 also consider whether and how its audit process and standards can identify the volume of gas
42 being released by Grade 3 leaks, and in particular how it can identify which leaks are likely to
43 release significantly greater than average volumes of gas;

44 (4) The regulations shall set forth the appeals process through which a natural gas
45 company may appeal to the department the issuance of a fine for a Grade 3 leak.

46 SECTION 2. This Act shall take effect on January 1, 2020.