

HOUSE No. 4543

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, April 16, 2024.

The committee on Telecommunications, Utilities and Energy, to whom was referred the petition (accompanied by bill, House, No. 3859) of Marjorie C. Decker relative to clean fuel standards, reports recommending that the accompanying bill (House, No. 4543) ought to pass.

For the committee,

JEFFREY N. ROY.

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**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to a just transition to clean energy.

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 25A of the General Laws, as appearing in the 2022 edition, is
2 hereby amended by adding the following section:-

3 Section 11F 2/3. (a) As used in this section, the following words shall have the following
4 meanings:

5 “Carbon intensity,” means the quantity of lifecycle greenhouse gas emissions associated
6 with a unit of specific transportation fuel, expressed in grams of carbon dioxide equivalent per
7 megajoule of transportation fuel,

8 “Clean fuel,” means a transportation fuel that has a carbon intensity level that is
9 below the clean fuels carbon intensity standard in a given year,

10 “Credit,” means a unit of measurement equal to one metric ton of carbon dioxide
11 equivalent and that serves as a quantitative measure of the degree to which a fuel provider’s

12 transportation fuel volume is lower than the carbon intensity established by the clean fuel
13 standard,

14 “Deficit,” means a quantitative measure of the degree to which a fuel provider’s
15 volume of transportation fuel is greater than the carbon intensity than permissible according to
16 the annual clean fuel standard,

17 “Full fuels lifecycle” means the aggregate of greenhouse gas emissions, including
18 direct emissions and significant indirect emissions, such as significant emissions from land use
19 changes, as determined by the Argonne Greenhouse gases, Regulated Emissions, and Energy use
20 in Technologies (GREET) model or a subsequent prevailing standard;

21 "Sustainable aviation fuel," means a clean fuel that can be blended and used with
22 conventional petroleum jet fuels without the need to modify aircraft engines and existing fuel
23 distribution infrastructure, and that have a lower carbon intensity than the carbon intensity of
24 conventional petroleum jet fuels. Sustainable aviation fuel includes jet fuels derived from
25 coprocessed feedstocks at a conventional petroleum refinery.

26 “Transportation fuel provider” means an entity that functions as an importer, blender,
27 refiner, or wholesale retailer of transportation fuels,

28 (b)(1) The Department of energy resources shall establish a clean fuel standard that
29 reduces the aggregate carbon intensity of transportation fuels by 80% from 1990 levels by 2050,
30 establishes a mechanism for the generation and trading of credits at a market-based rate to offset
31 carbon deficits, and supports clean energy and accessible transportation projects in
32 disadvantaged communities.

33 (b)(2) The clean fuel standard shall apply to transportation fuel providers with the
34 exception of fuels for aviation, railroad locomotives, military vehicles, interstate waterborne
35 vessels, and fuels imported, blended, refined, or wholesaled in volumes below thresholds
36 established by the Department. Sustainable aviation fuel and other clean fuels, as determined by
37 the Department, shall be eligible to generate credits for the transportation fuel provider on an
38 opt-in basis.

39 (b)(3) The Department shall establish an annual schedule to phase-in implementation of
40 the clean fuel standard's carbon intensity reduction that considers the cost of compliance, the
41 technologies available to fuel providers, and the need to maintain fuel quality and availability.
42 The aggregate carbon intensity of a transportation fuel shall be measured on a full fuels lifecycle
43 basis. The full fuels lifecycle shall be assessed annually and shall include all stages of fuel and
44 feedstock production and distribution, from feedstock generation or extraction through the
45 distribution and delivery and use of the finished fuel by the ultimate consumer.

46 (c)(1) The clean fuel standard shall establish a mechanism that assigns credits to
47 transportation fuel providers whose fuel or fuels' carbon intensity is below the standards adopted
48 by the Department and a market for the trading of credits at a market-based rate. Credits shall be
49 quantified based on the total emissions across the lifecycle of the provider's fuel and the annual
50 maximum allowable carbon emission intensity for that year. These credits may be applied to
51 future obligations or be traded on a market mechanism, established by the Department to satisfy
52 or offset compliance obligations of transportation fuel providers incurring a deficit.

53 (c)(2) Fuel providers subject to the clean fuel standard shall comply by importing,
54 blending, refining, or wholesaling transportation fuels with an aggregate carbon intensity that is

55 at or below the standard as determined by the Department or by purchasing credits to offset any
56 aggregate deficit incurred from transportation fuels exceeding the maximum allowable carbon
57 intensity for that year.

58 (d) Public entities serving as credit generators, to include but not limited to utilities and
59 state agencies, shall invest or direct a percentage, to be determined by the Department, of the
60 entity's overall credit value to support clean energy and accessible transportation projects in
61 disadvantaged communities beyond existing local, federal, and state incentives. The Department
62 shall determine projects and goals under this subdivision in consultation with credit generators,
63 communities, community leaders, and environmental justice advocates.

64 (e) The Department shall promulgate rules, regulations, plans, proposals, procedures, and
65 administrative fees as are necessary and appropriate to effectuate a clean fuel standard and credit
66 marketplace to ensure compliance with this section and to offset the costs of implementation of
67 the clean fuel standard.