

SENATE No. 1821

The Commonwealth of Massachusetts

PRESENTED BY:

Michael J. Barrett

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 combating climate change.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>	
<i>Frank I. Smizik</i>	<i>15th Norfolk</i>	<i>2/3/2017</i>
<i>Carmin L. Gentile</i>	<i>13th Middlesex</i>	<i>1/20/2017</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>	<i>2/2/2017</i>
<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>	<i>2/2/2017</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>2/2/2017</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>	<i>2/3/2017</i>
<i>Ruth B. Balsler</i>	<i>12th Middlesex</i>	<i>1/24/2017</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>2/2/2017</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>1/24/2017</i>
<i>Cory Atkins</i>	<i>14th Middlesex</i>	<i>1/24/2017</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>	<i>2/2/2017</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>	<i>2/3/2017</i>
<i>Solomon Goldstein-Rose</i>	<i>3rd Hampshire</i>	<i>1/24/2017</i>
<i>John W. Scibak</i>	<i>2nd Hampshire</i>	<i>1/24/2017</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>2/3/2017</i>
<i>John J. Lawn, Jr.</i>	<i>10th Middlesex</i>	<i>1/25/2017</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>	<i>1/25/2017</i>

<i>Louis L. Kafka</i>	<i>8th Norfolk</i>	<i>1/25/2017</i>
<i>Byron Rushing</i>	<i>9th Suffolk</i>	<i>1/25/2017</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>1/25/2017</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>2/2/2017</i>
<i>Jack Lewis</i>	<i>7th Middlesex</i>	<i>1/26/2017</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>1/26/2017</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>	<i>1/27/2017</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>1/30/2017</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>	<i>1/30/2017</i>
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>	<i>1/30/2017</i>
<i>Jose F. Tosado</i>	<i>9th Hampden</i>	<i>1/31/2017</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>1/31/2017</i>
<i>Daniel M. Donahue</i>	<i>16th Worcester</i>	<i>1/31/2017</i>
<i>Natalie Higgins</i>	<i>4th Worcester</i>	<i>2/3/2017</i>
<i>Kenneth J. Donnelly</i>	<i>Fourth Middlesex</i>	<i>2/3/2017</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>	<i>2/3/2017</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>	<i>2/3/2017</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>2/3/2017</i>
<i>Adam G. Hinds</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>	<i>2/3/2017</i>
<i>Dylan Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>	<i>2/3/2017</i>
<i>Paul R. Heroux</i>	<i>2nd Bristol</i>	<i>2/3/2017</i>
<i>Diana DiZoglio</i>	<i>14th Essex</i>	<i>2/3/2017</i>
<i>Julian Cyr</i>	<i>Cape and Islands</i>	<i>2/3/2017</i>
<i>Paul Tucker</i>	<i>7th Essex</i>	<i>2/3/2017</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>2/3/2017</i>
<i>Brendan P. Crighton</i>	<i>11th Essex</i>	<i>2/3/2017</i>
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>	<i>2/3/2017</i>
<i>Linda Dean Campbell</i>	<i>15th Essex</i>	<i>2/3/2017</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>	<i>2/3/2017</i>
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>	<i>2/3/2017</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>	<i>2/3/2017</i>
<i>Kevin G. Honan</i>	<i>17th Suffolk</i>	<i>2/3/2017</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>	<i>2/3/2017</i>
<i>Joseph A. Boncore</i>	<i>First Suffolk and Middlesex</i>	<i>2/3/2017</i>
<i>Aaron Vega</i>	<i>5th Hampden</i>	<i>2/3/2017</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>2/3/2017</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>	<i>2/3/2017</i>
<i>Cynthia S. Creem</i>	<i>First Middlesex and Norfolk</i>	<i>2/3/2017</i>

<i>Michael F. Rush</i>	<i>Norfolk and Suffolk</i>	<i>2/3/2017</i>
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>	<i>2/3/2017</i>
<i>Alice Hanlon Peisch</i>	<i>14th Norfolk</i>	<i>2/3/2017</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>	<i>2/3/2017</i>
<i>Juana Matias</i>	<i>16th Essex</i>	<i>2/3/2017</i>
<i>Gailanne M. Cariddi</i>	<i>1st Berkshire</i>	<i>2/3/2017</i>

SENATE No. 1821

By Mr. Barrett, a petition (accompanied by bill, Senate, No. 1821) of Michael J. Barrett, Frank I. Smizik, Carmine L. Gentile, Patricia D. Jehlen and other members of the General Court for legislation to combat climate change. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act combating climate change.

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. Section 3 of chapter 25A of the Massachusetts General Laws, as appearing
2 in the 2014 Official Edition, is hereby amended by inserting the following definitions: —

3 “CO2 budget trading program electricity”, electricity the generation of which is regulated
4 by the Massachusetts CO2 budget trading program referenced in 310 CMR 7:70.

5 “Carbon dioxide equivalent”, or “CO2e”, a unit of measure of the amount of emissions
6 from a greenhouse gas, expressed as the amount of CO2 by weight that would have the same
7 global warming impact.

8 “Commissioner,” unless otherwise specified, the commissioner of energy resources.

9 “Employer”, any person, state agency, or local governmental body who has employees
10 working in the commonwealth.

11 “Fund”, the greenhouse gas emissions charges rebate fund established under section 13B
12 of this chapter.

13 “Greenhouse gas,” carbon dioxide (CO₂), hydrofluorocarbons (HFCs), methane (CH₄),
14 nitrous oxide (N₂O), nitrogen trifluoride (NF₃), perfluorocarbons (PFCs), sulfur hexafluoride
15 (SF₆), and any other gaseous matter identified by the department of energy resources as a likely
16 contributor to climate change.

17 “Greenhouse gas-emitting priority,” matter that emits or is capable of emitting a
18 greenhouse gas when burned and is identified as a priority under the terms of this act, except that
19 natural gas, petroleum, coal, and any solid, liquid or gaseous fuel derived therefrom shall be
20 greenhouse gas-emitting priorities.

21 “Greenhouse gas emissions charges,” charges imposed pursuant to this chapter on each
22 ton of CO₂e.

23 “Motor vehicle fuel”, fuel for the operation of a motor vehicle, provided, that “fuel” and
24 “motor vehicle” shall have the same meanings as defined in section one of chapter 64A.

25 “Resident” shall have the same meaning as defined in section one of chapter 62.

26 SECTION 2. Section 6 of chapter 25A of the General Laws, as so appearing, is hereby
27 amended by inserting after the last paragraph the following:-

28 (14) administer the schedules of greenhouse gas emissions charges and the greenhouse
29 gas emissions charges rebate fund, both established pursuant to this chapter.

30 SECTION 3. Chapter 25A of the General Laws, as so appearing, is hereby amended by
31 inserting after section 13 the followings sections:

32 25A:13A Greenhouse gas emissions charges

33 Section 13A. (a) The commissioner of energy resources shall collect greenhouse gas
34 emissions charges on the distribution or sale of greenhouse gas-emitting priorities.

35 (b) The charge in the first year of operation shall be \$10 per ton of CO₂e. Said charges
36 shall increase by \$5 every year until the rate is \$40 per ton of CO₂e. In the sixth year of
37 implementation, and every two years thereafter, the commissioner of energy resources, in
38 consultation with the commissioner of environmental protection, shall submit a report to the
39 house and senate committees on ways and means, the joint committee on telecommunications,
40 utilities and energy, and the house and senate committees on global warming and climate change.
41 Said reports shall consider whether any increases or decreases in greenhouse gas emissions
42 charges are recommended to account for inflation, to ensure progress towards reaching emissions
43 limits for 2030, 2040, and 2050 included in or authorized by chapter 21N, the Climate Protection
44 and Green Economy Act, or, pursuant to section 13B(d)(3) of this chapter, to mitigate serious
45 negative impacts on economic sectors, economic sub-sectors or individual employers of the
46 commonwealth caused by collection of greenhouse gas emissions charges.

47 (c) The commissioner of energy resources shall determine the schedule of greenhouse gas
48 emissions charges authorized under this chapter by multiplying the CO₂e of each greenhouse
49 gas-emitting priority by the charge or charges established herein. To determine said schedule,
50 the commissioner, in consultation with the commissioner of environmental protection, shall,
51 using the best information and science reasonably available, determine the average CO₂e of each
52 greenhouse gas-emitting priority.

53 (d) From time to time the commissioner shall, using the best information and science
54 reasonably available, consider whether to identify any greenhouse gas-emitting matter, in
55 addition to natural gas, petroleum, coal, and any solid, liquid or gaseous fuel derived therefrom,
56 as a greenhouse gas-emitting priority for the purposes of this chapter.

57 (e) With respect to a greenhouse gas-emitting priority, the commissioner shall not impose
58 charges on any quantity that is used, or reasonably expected to be used, by a CO2 budget unit to
59 produce or generate electricity. Nor shall the commissioner impose charges if, and to the extent
60 that, such charges are duplicative of charges imposed by multi-state agreement or federal law or
61 regulation.

62 25A:13B Greenhouse gas emissions charges rebate fund

63 Section 13B. (a) There shall be established on the books of the commonwealth a separate
64 fund to be known as the greenhouse gas emissions charges rebate fund. The commissioner of
65 energy resources shall deposit all proceeds collected under section 13A into said fund. None of
66 said proceeds shall fund government operations of the commonwealth, other than to pay for
67 reasonable administrative costs as provided under sub-section (b) of this section.

68 (b) The commissioner of energy resources shall return all proceeds from greenhouse gas
69 emissions charges to residents and employers in the commonwealth in the form of rebates. The
70 proceeds returned to residents shall be reasonably equivalent to the aggregate charges collected
71 on emissions attributable to greenhouse gas-emitting priorities purchased or consumed by
72 residents, and the proceeds returned to employers shall be reasonably equivalent to the aggregate
73 charges collected on emissions attributable to greenhouse gas-emitting priorities purchased or
74 consumed by employers; provided, that the commissioner may retain a reasonable amount of

75 proceeds to pay for the costs of administering the activities authorized by this chapter. Proceeds
76 shall be available for the purposes enumerated in this section without appropriation.

77 (c)(1) The commissioner of energy resources shall estimate total rebates to be returned to
78 residents pursuant to the terms of this chapter.

79 (2) The commissioner of energy resources shall set the amount of the individual rebate or
80 rebates to residents; provided, that each resident shall receive an equal rebate, except that
81 residents of rural municipalities shall receive an additional motor vehicle fuel rebate. The
82 commissioner shall annually determine the individual rebate or rebates per resident of the
83 commonwealth. For the purposes of this paragraph, a rural municipality is one in which
84 residents drive, on average, 130% or more per year of the statewide average number of miles
85 driven per household in the commonwealth. The commissioner shall calculate the additional
86 motor vehicle fuel rebate for rural residents by estimating the aggregate charges paid by all
87 residents of the commonwealth on the distribution or sale of motor vehicle fuel, and dividing
88 said estimate by the sum of the number of residents who do not reside in rural municipalities and
89 1.3 times the number of residents who reside in rural municipalities. The result shall be the
90 individual rebate per resident attributable to charges collected on motor vehicle fuel, which
91 rebate shall be added to the rebate per resident attributable to charges collected on fuels other
92 than motor vehicle fuels, both of which shall then be distributed to all residents of municipalities
93 other than rural municipalities; provided, that the remaining portion of estimated total rebates
94 shall be distributed in equal portions to all residents of rural municipalities.

95 (3) In rebating greenhouse gas emissions charge proceeds, the commissioner of energy
96 resources shall coordinate with officials of the executive office of health and human services, the

97 executive office of housing and economic development, the department of revenue, and other
98 agencies in making all reasonable efforts to identify the names and addresses of all residents,
99 with special attention to the names and addresses of low-income residents.

100 (d)(1) The commissioner of energy resources shall estimate total rebates to be returned to
101 employers.

102 (2) The commissioner of energy resources shall set each employer's individual rebate
103 based on the employer's proportional share, in full-time equivalent employees, of statewide
104 employment. The commissioner shall annually determine the employer rebate per full-time
105 equivalent employee; provided, that the commissioner shall not count as an employee any person
106 who would not be considered an employee under section 148B of chapter 149; provided, further,
107 that the commissioner shall count only bona fide employees working in the commonwealth.

108 (3) The commissioner, in consultation with the secretary of housing and economic
109 development and the commissioner of revenue, shall, with special attention to manufacturing,
110 identify economic sectors, economic sub-sectors or individual employers at risk of serious
111 negative impacts due to the charges collected pursuant to this chapter. The commissioner may,
112 as mitigation, calculate the total proceeds collected from said sectors, subsectors or individual
113 employers and may apportion the entirety of said proceeds to the affected sector, sub-sector or
114 employers.

115 (4) In rebating greenhouse gas emissions charge proceeds, the commissioner of energy
116 resources shall ensure that all employers in the commonwealth receive said rebate, including
117 those employers otherwise exempt from taxes under chapter 63 due to their status as not-for-
118 profit organizations or government entities.

119 (e) The commissioner of energy resources shall not be subject to penalties or lawsuits for
120 damages if the charges collected under this chapter are not precisely equal to rebates returned
121 under this chapter; provided, that the commissioner shall make all reasonable efforts to return to
122 residents and employers all charges collected under this chapter. If the charges collected under
123 this chapter unreasonably exceed the rebates returned under this chapter, the salaries payable to
124 the secretary of administration and finance and the secretary of energy and environmental affairs
125 for the year following the year of excessive charges shall be reduced by 15% until said excessive
126 charges are rebated.

127 25A:13C Regulations; Studies; Miscellaneous

128 Section 13C. (a) The commissioner of energy resources, in consultation with the
129 commissioner of revenue and the commissioner of environmental protection, shall promulgate
130 rules and regulations necessary to carry out the provisions of this chapter.

131 (b) The commissioner shall make all reasonable efforts to impose and collect the charges
132 authorized pursuant to this chapter at the earliest possible point of distribution or sale within the
133 commonwealth, and in such a manner as to ensure the imposition and collection of charges prior
134 to the occurrence of any fugitive emissions or any leaks due to suboptimal storage or
135 transmission.

136 (c) The commissioner shall consider various calendar schedules for distribution of the
137 rebates authorized pursuant to this chapter, including partial or whole distributions early in the
138 relevant revenue cycle.

139 (d) The commissioner shall study the feasibility of imposing and collecting additional
140 greenhouse gas emission charges on emissions, otherwise known as fugitive emissions,

141 attributable to leakage from natural gas infrastructure. The report shall include an analysis of the
142 feasibility and expense of (i) calculating a reasonably accurate current statistical baseline,
143 specific to the Commonwealth, of such emissions, and (ii) developing and deploying a means of
144 calculating reasonably accurate updates of progress or lack thereof in reducing such emissions.
145 Within nine months of the effective date of this act, the commissioner shall submit the report to
146 the house and senate committees on ways and means, the joint committee on
147 telecommunications, utilities, and energy, and the house and senate committees on global
148 warming and climate change.