

SENATE No. 2179

The Commonwealth of Massachusetts

PRESENTED BY:

Michael F. Rush

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 reduce gas leaks.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | |
|------------------------|----------------------------|-----------------|
| <i>Michael F. Rush</i> | <i>Norfolk and Suffolk</i> | |
| <i>Paul McMurtry</i> | <i>11th Norfolk</i> | <i>2/2/2023</i> |

SENATE No. 2179

By Mr. Rush, a petition (accompanied by bill, Senate, No. 2179) of Michael F. Rush and Paul
McMurtry for legislation to reduce gas leaks. Telecommunications, Utilities and Energy.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 2233 OF 2021-2022.]

The Commonwealth of Massachusetts

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

An Act to reduce gas leaks.

*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 to, and reduce communities’
9 exposure to such gas leaks. Without further appropriation, and for purposes consistent with this

10 section, the department shall use such fines to administer this program, with the balance of any
11 funds distributed to municipalities, in proportion to the impact gas leaks have on their
12 municipality, for 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 forth
19 an annual amount to be paid by a gas distribution company for leaks reported to the department.
20 The department may impose a fine for any Grade 3 leak, provided that it shall impose a fine for
21 each Grade 3 leak greater than one year old. The department may vary the fine amount for a leak
22 based on the age of a leak, the volume of gas released by a leak, or other factors in the judgment
23 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 projects to replace trees and other resources impacted by gas leaks, measures by the
28 department to audit or check a gas distribution company's annual reporting of Grade 3 leaks, or
29 such other activities which reduce communities' exposure to gas leaks and potential to suffer
30 harm from such leaks. The regulations may provide that proceeds of fines may be used directly
31 by the department to enhance its operations, 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 report
37 of Grade 3 leaks reported by gas distribution companies to the department as part of the annual
38 service quality standards report required by sections 11 and 144. These standards shall address
39 how the department will review and consider any report of Grade 3 leaks provided to it by third
40 parties, including municipalities and community organizations. The department shall also
41 consider whether and how its audit process and standards can identify the volume of gas being
42 released by Grade 3 leaks, and in particular how it can identify which leaks are likely to release
43 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, 2024.