

SENATE No. 1503

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to the alternative portfolio standard..

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 11F1/2 of Massachusetts General Law Chapter 25A shall be amended by striking
2 said section and inserting in place thereof the following:

3 Section 11F1/2. (a) The department shall establish an alternative energy portfolio
4 standard for all retail electricity suppliers selling electricity to end-use customers in the
5 commonwealth. Every retail electric supplier providing service under contracts executed or
6 extended on or after January 1, 2009 shall provide a minimum percentage of kilowatt-hour sales,
7 as determined by the department, to end-use customers in the commonwealth from alternative
8 energy generating sources and the department shall annually thereafter determine the minimum
9 percentage of kilowatt-hour sales to end-use customers in the commonwealth which shall be
10 derived from alternative energy generating sources. For the purposes of this section, an
11 alternative energy generating source is one which generates electricity using any of the
12 following: (1) gasification with capture and permanent sequestration of carbon dioxide;
13 provided, however, that the fuel shall be purchased by, and contractually transported to, the
14 alternative energy generating source in ISO -NE, as defined in section 1 of chapter 164; (2)

15 combined heat and power; (3) flywheel energy storage; (4) any facility which substitutes any
16 portion of its fossil fuel source with an equal to or greater portion of an alternative, paper-derived
17 or wood chip fuel source approved by the department of environmental protection through a
18 beneficial use determination for the production of heat or power; (5) energy efficient steam
19 technology; or (6) any other alternative energy technology approved by the department under an
20 administrative proceeding conducted under chapter 30A; provided, however, that the following
21 technologies shall not be considered alternative energy supplies: coal, except when used in
22 gasification; petroleum coke, except when used in gasification; oil; natural gas, except when
23 used in gasification or combined heat and power; and nuclear power.

24 (b) The department, in consultation with the department of environmental protection,
25 shall set: (1) emission performance standards, including standards for carbon dioxide emissions,
26 on a case by case basis such that the emissions for a specific technology utilized, are optimized
27 (2) permanent sequestration definitions and standards, and (3) fuel conversion efficiency
28 standards for all technologies included in this section such that in the case of gasification, the
29 total overall fuel conversion efficiency from feedstock to final combustible fuel shall not be less
30 than 70 per cent, consistent with the commonwealth's environmental goals, including, but not
31 limited to, the reduction of greenhouse gas emissions. At least once every 2 years the department
32 shall review and update all standards for new alternative energy generating sources to strengthen
33 them, if appropriate, as technology improvements occur.

34 (c) The department shall adopt regulations allowing for a retail supplier to discharge its
35 obligations under this section by making an alternative compliance payment in an amount
36 established by the department. Such regulations shall outline procedures by which each retail

37 supplier shall annually submit for the department's review a filing illustrating the retail
38 supplier's compliance with the requirements of this section.

39 (d) A municipal lighting plant shall be exempt from the obligations under this section so
40 long as and insofar as it is exempt from the requirements to allow competitive choice of
41 generation supply under section 47A of chapter 164.