

HOUSE No. 3473

The Commonwealth of Massachusetts

PRESENTED BY:

Solomon Goldstein-Rose

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 relative to creating energy jobs.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Solomon Goldstein-Rose</i>	<i>3rd Hampshire</i>	<i>1/19/2017</i>
<i>John W. Scibak</i>	<i>2nd Hampshire</i>	
<i>Denise Provost</i>	<i>27th Middlesex</i>	
<i>Dylan Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>	
<i>David M. Rogers</i>	<i>24th Middlesex</i>	
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>	
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	
<i>Mike Connolly</i>	<i>26th Middlesex</i>	
<i>Paul R. Heroux</i>	<i>2nd Bristol</i>	
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	
<i>Aaron Vega</i>	<i>5th Hampden</i>	
<i>Carlos González</i>	<i>10th Hampden</i>	
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>	
<i>Eric P. Lesser</i>	<i>First Hampden and Hampshire</i>	
<i>Natalie Higgins</i>	<i>4th Worcester</i>	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>3/21/2017</i>
<i>William L. Crocker, Jr.</i>	<i>2nd Barnstable</i>	<i>3/21/2017</i>

<i>Julian Cyr</i>	<i>Cape and Islands</i>	<i>3/24/2017</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>3/22/2017</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>	<i>3/24/2017</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>	<i>3/23/2017</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>	<i>3/22/2017</i>
<i>José F. Tosado</i>	<i>9th Hampden</i>	<i>3/21/2017</i>
<i>Bud Williams</i>	<i>11th Hampden</i>	<i>3/22/2017</i>

HOUSE No. 3473

By Mr. Goldstein-Rose of Amherst, a petition (accompanied by bill, House, No. 3473) of Solomon Goldstein-Rose and others relative to advanced and applied energy technologies and the reduction of energy reliance on non-renewable sources. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

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

An Act relative to creating energy jobs.

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 23J of the General Laws is hereby amended by inserting after
2 section 12, as appearing in the 2014 Official Edition, the following 6 sections:-

3 Section 13. “Carbon dioxide equivalent” (“CO₂e”), a unit of measure denoting the
4 equivalent mass of carbon dioxide that produces the same amount of global warming impact as a
5 certain mass of any greenhouse gas over 10 years, as found by the Energy Information
6 Administration of the United States Department of Energy.

7 “Electricity fuel mix”, the mix of fuels for any 3-month period used to create electricity
8 by generators within the control area of ISO-NE.

9 “Employer”, any person, state agency, legal business, whether for profit or not for profit,
10 or local governmental body who is located in Massachusetts and employs Massachusetts
11 residents.

12 “Fossil fuel” coal, natural gas, or any petroleum product intended to be burned for
13 electricity generation, heating, or transportation.

14

15 “ISO-NE”, the Independent System Operator-New England, the regional transmission
16 organization for New England licensed by the Federal Energy Regulatory Commission pursuant
17 to the Federal Power Act of 1935.

18

19 “Resident”, as defined in section 1 of chapter 62.

20 Section 14. (a) To correct the negative externality of carbon pollution, the center shall
21 assess and collect a price at the first point of sale within the commonwealth on all fossil fuels, at
22 the rate specified in accordance with this section.

23 (b) Any entity which is the first seller of petroleum products to be consumed or
24 distributed within the commonwealth shall pay the price on a quarterly basis to the center to
25 account for the sale of such petroleum products at their first point of sale within the
26 commonwealth for consumption or distribution within Massachusetts. The center shall identify
27 all such entities which are the first seller of petroleum products within the state and ensure
28 payments are properly made.

29 (c) Any distributor of electricity, including investor-owned utilities, municipal utilities,
30 and all competitive suppliers of electricity to end users, shall pay the price quarterly to the center
31 to account for all electricity such distributors buy directly from a generation station outside of the
32 commonwealth, on a per-kilowatt-hour basis. The CO₂e of every kilowatt hour of electricity

33 shall be determined by taking the weighted average of the natural gas, coal, and oil portions of
34 the fuels used to generate the electricity and multiplying each of those portions separately by the
35 amount of CO₂e emissions created per kilowatt hour of electricity produced by each such fuel, as
36 those carbon intensity levels are from time to time determined by the Energy Information
37 Agency of the United States Department of Energy. Distributors of electricity shall pay a
38 weighted average in the same manner for the natural gas, coal, and oil portions of the ISO-NE
39 electricity fuel mix for electricity that the distributor purchased on the ISO-NE spot market in the
40 past quarter; provided that the center shall create a formula to estimate the portion of the ISO-NE
41 mix which was generated in the commonwealth, and that portion shall be subtracted from the
42 price.

43 Each supplier of electricity shall pass along the full cost of the price to all electricity
44 customers, in a fully reconciling rate mechanism based upon a per-kilowatt-hour charge as a new
45 line labeled “Carbon Pollution Price” on the generation side of electric bills of all classes of
46 ratepayers.

47 (d) Any entity in the commonwealth which has bought carbon allowances through the
48 regional greenhouse gas initiative clearing auctions in the past quarter shall be reimbursed
49 quarterly by the center, provided that such reimbursement may not be greater than the total
50 increased expenses which the center estimates the entity has incurred due to the price in the past
51 quarter.

52 (e) Any local distribution company for natural gas shall pay the price quarterly to the
53 center on behalf of all of its distribution customers. The price shall be calculated by multiplying
54 the number of cubic feet of natural gas used by each customer by the amount of CO₂e released

55 by burning 1 cubic foot natural gas, as that value is from time to time determined by the Energy
56 Information Agency of the United States department of energy.

57 The local distribution company for natural gas shall pass on the cost of the carbon price
58 to end users in proportion to the amount of natural gas each customer uses.

59 (f) The department of energy resources shall estimate the amount of CO₂e released in the
60 form of escaped methane due to the extraction, transport, or distribution of natural gas before the
61 point of consumption in Massachusetts, and the center shall add an additional per-cubic-foot
62 charge commensurate with that estimate to the price for all natural gas or natural-gas-based
63 electricity, based on the rate specified in this section.

64 (g) The price assessed on a given amount of fossil fuel shall be the number of metric tons
65 of CO₂e that would be released if that amount of fossil fuel were burned, excluding any carbon
66 dioxide that is to be permanently sequestered, times the carbon price rate. The carbon price rate
67 shall be \$15 per metric ton from January 1, 2018 through June 30, 2018 and during the entirety
68 of fiscal year 2019, and shall increase by \$10, adjusted for inflation, every fiscal year thereafter.
69 In any year in which the U.S. Federal government charges a similar price on fossil fuels, the
70 Massachusetts rate shall be reduced by an amount equal to the Federal rate, provided however
71 that the Massachusetts rate may not be less than zero.

72 (h) All money collected pursuant to this section shall be deposited in the Clean Energy
73 Dividend Fund established in section 2W~~WWW~~ of chapter 29.

74 Section 15. (a) Within 2 weeks after the end of each fiscal year quarter, the center, in
75 coordination with the state treasurer, shall issue a check drawn from the Clean Energy Dividend
76 Fund to every household in Massachusetts and every employer in Massachusetts, labeled “Clean

77 Energy Dividend,” in an amount to be determined pursuant to this section. The center shall
78 ensure that individuals and families who are homeless, in transition, or otherwise may not
79 receive checks in the mail shall still receive their dividend in any other appropriate manner
80 determined by the center. Such checks for residents shall include the following description:
81 “Massachusetts has a carbon pricing system to account for the pollution content of fossil fuels.
82 You are receiving this check because you are a resident of Massachusetts. This check is for an
83 amount proportional to the number of adult residents in this household. You may use this money
84 to cover the slight increases in energy prices you may notice, or if you use less energy in any
85 way, you may consider this check additional, tax-exempt, income, and spend it on whatever you
86 like. These quarterly dividend checks will increase as revenue from the carbon price increases.”
87 Such checks for employers shall include the following description: “Massachusetts has a carbon
88 pricing system to account for the pollution content of fossil fuels. You are receiving this check
89 because you are an employer in Massachusetts. This check is for an amount proportional to the
90 number of full-time-equivalent employees you employ in Massachusetts. You may use this
91 money to cover the slight increases in energy prices you may notice, or if you use less energy in
92 any way, you may consider this check additional, tax-exempt, income, and spend it on whatever
93 you like. These quarterly dividend checks will increase as revenue from the carbon price
94 increases.” For checks to households in rural municipalities, a note substantively similar to
95 “Because you live in a rural municipality, your per-person dividend is slightly higher than that
96 for residents of non-rural municipalities” shall be added to the description.

97 (b) The center shall estimate the net increase in energy costs due to the carbon price for
98 the preceding quarter for an average single-person household at the 60th percentile of income for

99 Massachusetts. Such estimated figure shall be made public by the center and shall be known as
100 the per-person sum.

101 (c) The clean energy dividend sent to each household shall be in an amount equal to the
102 per-person sum multiplied by the number of residents 18 years of age or older in that household,
103 plus the “rural rebate amount” as defined below.

104 (d) The dividend check to each employer shall be in an amount equal to the per-person
105 sum multiplied by the full-time-equivalent number of employees employed in Massachusetts by
106 that employer, provided, that any person who would not be considered an employee under
107 chapter 151A shall not count as an employee; provided, further, that only bona fide employees
108 working in the commonwealth shall be counted.

109 (e) The “rural rebate amount” shall be 0.2 multiplied by the per-person amount for
110 households residing in rural municipalities and 0 for households residing in other municipalities.
111 For the purposes of this paragraph, a “rural municipality” shall mean a municipality in which
112 residents drive, on average, 130 per cent or more per year of the statewide average number of
113 miles driven per household in the commonwealth.

114 (f) The dividend check sent pursuant to this section shall not be considered income for
115 purposes of chapter 62 or chapter 63.

116 Section 16. (a) At any time when the actual balance of the Clean Energy Dividend Fund,
117 established in section 2WWW of chapter 29, is less than the amount needed to cover clean
118 energy dividend disbursements made pursuant to section 15, the per-person sum shall be equal to
119 the total balance of the fund, minus reasonable administrative costs, divided by the sum of:

120 (i) 1.2 multiplied by the number of adult residents in the commonwealth who reside in
121 rural municipalities;

122 (ii) the number of adult residents of the commonwealth who reside in municipalities other
123 than rural municipalities; and

124 (iii) the full-time-equivalent number of employees who would count in calculations of
125 employer dividends for the purposes of subsection (d) of section 15.

126 (b) Dividends shall then be administered as usual in accordance with subsections (c)-(f)
127 of section 15.

128 Section 17. (a) The center shall create or partner with other entities to create at least 1
129 independent facility to manufacture, test, and demonstrate emerging battery technologies. The
130 facility shall carry out coordinated manufacturing of test cells based on sound lab-stage ideas or
131 by contract with private companies, conduct tests and relevant measurements or contract with
132 other facilities to do so, and build testbed facilities and demonstration sites to prove new battery
133 technologies at commercial scale, including grid-scale demonstration. The facility may provide
134 or assist in applications for grants to university labs that partner with the facility to work out
135 engineering issues with technologies as they develop. The Clean Energy Technology
136 Commission established pursuant to section 18 shall oversee this facility. To the extent
137 appropriate, a statewide coalition of partners shall be consulted or formally organized to carry
138 out the purposes of this section.

139 (b) The center may also create similar pre-commercialization facilities or projects for
140 other realms of energy technology including but not limited to other battery technologies, non-
141 battery energy storage systems, solar fuels, atmospheric carbon sequestration, and biofuels. The

142 Clean Energy Technology Commission established pursuant to section 18 shall oversee such pre-
143 commercialization facilities.

144 Section 18. There is hereby established the Clean Energy Technology Commission to
145 consist of 1 appointee of the Governor, who may not be an elected official, 1 appointee of the
146 speaker of the house of representatives, who may be a member of the general court, 1 appointee
147 of the senate president, who may be a member of the general court, and 2 members with
148 expertise in technology development and commercialization to be appointed jointly by the other
149 3 members. The 5 voting commission members shall choose 1 of themselves to serve as chair
150 and coordinate the functions of the commission and the facilities it oversees. The executive
151 director of the center shall always be a nonvoting member of the commission and may not be
152 appointed as 1 of the 5 voting members.

153 The commission shall hire the director of each facility or project created pursuant to
154 section 17, and shall advise and assist in the coordination of goals and operations of such
155 facilities. The commission shall make recommendations to the general court on appropriations to
156 further the work of the battery testing facility and any other such facilities.

157 The commission shall create programs tied to the pre-commercialization facilities to help
158 bring proven technologies to the point of full-scale manufacturing in the commonwealth, with
159 special attention to connecting with and building expertise and capacity in the industry. The
160 commission shall form partnerships with existing companies with large-scale engineering or
161 manufacturing expertise and capacity, to bring new technologies quickly into production.

162 SECTION 2. The General Laws are hereby amended by inserting after chapter 23M the
163 following chapter:-

164 CHAPTER 23N. THE MASSACHUSETTS CLEAN ENERGY TRUST

165 Section 1. For purposes of this chapter, the following words shall, unless the context
166 clearly requires otherwise, have the following meanings:

167 “Board”, the board of trustees establishes in section 2.

168 “Center”, the Massachusetts Clean Energy Technology Center established in chapter 23J.

169 “Fund”, Massachusetts Clean Energy Fund established in section 2XXXX of chapter 29.

170 “Trust”, Massachusetts Clean Energy Trust established in this chapter.

171 Section 2. (a) An unpaid board of trustees consisting of the state treasurer, ex officio, the
172 executive director of the center, ex officio, and the commissioner of the department of energy
173 resources, ex officio, is hereby constituted as a public instrumentality of the commonwealth to be
174 known as the Massachusetts Clean Energy Trust to administer the Massachusetts Clean Energy
175 Fund established in section 2XXXX of chapter 29 and for the purpose of financing clean energy
176 development and deployment pursuant to this chapter. The trust is hereby constituted a public
177 instrumentality and the exercise by the trust of the powers conferred by this chapter shall be
178 considered to be the performance of an essential governmental function.

179 (b) The state treasurer shall serve as chairperson of the board of trustees of the trust. The
180 board shall annually elect 1 of its members as vice-chairperson. Each member of the board may
181 appoint a designee pursuant to section 6A of chapter 30. Two members of the board of trustees
182 shall constitute a quorum and the affirmative vote of 2 trustees shall be necessary and shall
183 suffice for any action taken by the board. Any action of the board may take effect immediately
184 and need not be published or posted unless otherwise provided by law. No vacancy in the

185 membership of the board shall impair the right of a quorum to exercise the powers of the board.
186 The trust shall be subject to all provisions of said chapter 30A; provided, however, that the
187 provisions of said chapter 30A shall not apply to rules, regulations, procedures and guidelines
188 adopted by the board pursuant to this chapter, and records pertaining to the administration of the
189 trust shall be subject to the provisions of section 42 of chapter 30 and section 10 of chapter 66.
190 All monies of the trust shall be deemed to be public funds for purposes of chapter 12A. The
191 operations of the trust shall also be subject to the provisions of chapter 268A and chapter 268B
192 to the same extent as the office of the state treasurer.

193 Section 3. (a) The purposes for which the trust is created and for which the fund shall be
194 received, held, administered and disbursed by the board of trustees shall be the provision of
195 financial assistance for clean energy development and deployment as necessary to implement the
196 provisions of this chapter. The board shall apply and disburse monies and revenues of the fund
197 without appropriation or allotment by the commonwealth.

198 (b) Without limiting the generality of the foregoing and other powers of the trust, the
199 board of trustees shall have the power:

200 (i) to adopt and amend by-laws and such rules, regulations and procedures for the
201 conduct of the business of the trust as the board shall deem necessary to carry out the provisions
202 of this chapter;

203 (ii) to apply for, receive, administer and comply with the conditions and requirements
204 respecting any grant, gift or appropriation of property, services or monies;

205 (iii) to issue and sell bonds and apply the proceeds thereof for the purposes of this
206 chapter, including for the provision of funds to finance projects that qualify pursuant to

207 subsection (b) of section 7, and to pledge or assign or create security interests in the fund and the
208 receipts thereto to secure bond;

209 (iv) to make loans and other forms of financial assistance for clean energy development
210 and deployment, including funding for projects that qualify pursuant to subsection (b) of section
211 7;

212 (v) to enter into contracts, arrangements and agreements with other persons and execute
213 and deliver all trust agreements, loan agreements and other instruments necessary or convenient
214 to the exercise of the powers of the trust;

215 (vi) to obtain insurance and enter into agreements of indemnification necessary or
216 convenient to the exercise of the powers of the trust;

217 (vii) to sue and be sued and to prosecute and defend actions relating to the affairs of the
218 trust and the fund; provided, however, that the trust is not authorized to become a debtor under
219 the United States Bankruptcy Code;

220 (viii) to engage accounting, management, legal, financial, consulting and other
221 professional services necessary to the conduct of the programs of the trust;

222 (ix) to engage and consult with the Massachusetts clean energy technology center for the
223 implementation of sections 5 to 9, inclusive.

224 (c) The trust shall not be authorized or empowered (1) to be or to constitute a bank or
225 trust company within the jurisdiction or under the control of the department of banking and
226 insurance of the commonwealth or the comptroller of the currency or the treasury department of
227 the United States, or (2) to be or constitute a bank, banker or dealer in securities within the

228 meaning of, or subject to the provisions of, any securities, securities exchange or securities
229 dealers' law of the United States or the commonwealth.

230 Section 4. (a) The board of trustees shall receive in trust, hold, administer and disburse
231 the following monies:

232 (i) disbursements from the Clean Energy Dividend Fund established in section 2WWWW
233 of chapter 29;

234 (ii) amounts appropriated by the commonwealth to the trust for purposes of the fund;

235 (iii) proceeds of bonds of the trust to the extent required by the board's resolution for
236 issuance of such bonds or any applicable trust agreement;

237 (iv) loan repayments and other payments received by the trust;

238 (v) investment earnings on monies in the fund; and

239 (vi) any other amounts required to be credited to the fund by any law, any federal or state
240 grant contract, any loan agreement or trust agreement of the board or which the board shall
241 otherwise determine to deposit therein.

242 (b) Whenever the board takes discretionary action, it shall be guided by the purpose of
243 best effecting the purposes of this chapter to support the financing of the development and
244 deployment of clean energy systems. The provisions of section 6B of chapter 29 shall not apply
245 to grants received by the trust for purposes of the fund from the United States. The state treasurer
246 shall be the treasurer-custodian of the fund, and, subject to any applicable trust agreement, the
247 state treasurer is authorized to invest monies held in the fund in such investments as may be legal
248 investments for funds of the commonwealth.

249 (c) The trust may establish in any trust agreement or otherwise as the board shall
250 determine 1 or more other funds and accounts for revenues and other monies of the trust not
251 required to be held in the fund and to apply and disburse such monies and revenues to the
252 purposes of the trust.

253 Section 5. In consultation with the center, the trust shall develop a comprehensive
254 application process by which persons may submit projects to be reviewed and approved by the
255 center; provided, however, no project shall be approved unless it is qualified pursuant to
256 subsection (b) of section 7. An approved project shall be considered a qualifying plan. Once
257 approved by the center, the center shall notify the trust in writing and the trust shall enter into
258 funding agreements with the proponents of such qualifying plans which shall detail the terms of
259 any disbursement of funds from the trust for the plan and specific terms for the repayment or
260 recoupment of funds. The center may promulgate rules and regulations necessary to implement
261 this section and section 7.

262 Section 6. In consultation with the center, the board shall establish proactive procedures
263 for identifying and acting on opportunities to promote clean energy technology development or
264 deployment.

265 Section 7. (a) The trust shall offer loans, loan guarantees, debt securitization, insurance,
266 portfolio insurance, and other forms of financing support or risk management for qualified
267 projects, carried out by public or private entities.

268 (b) A project shall be qualified if the center determines that it is a project involving the
269 deployment of technologies or changes to systems that will:

- 270 (i) reduce carbon emissions, accounting for lifetime emissions of carbon dioxide,
271 methane, and other greenhouse gases;
- 272 (ii) break even, have a net savings, or make a profit for the trust over a period of 30 years;
- 273 (iii) reduce energy costs to all end-users in the covered area; and
- 274 (iv) be carried out in Massachusetts.

275 Section 8. The trust may issue dividends to entities which can demonstrate that they
276 permanently sequester atmospheric carbon dioxide, including relevant agricultural entities.
277 Entities may apply to the center and shall be certified by a process to be determined by the trust
278 and the center. Dividends shall be issued annually in an amount equal to the total number of
279 metric tons of carbon dioxide sequestered, as verified by the center, times the current price per
280 metric ton of the carbon price set forth in section 14 of chapter 23J.

281 Section 9. At least 10 per cent of any new revenue received each year by the trust shall
282 be disbursed into the Massachusetts Clean Energy Technology fund established in section
283 2YYYY of chapter 29 for grants or capital costs to carry out coordinated technology
284 development and demonstration projects pursuant to section 17 of chapter 23J, which shall not
285 be subject to the requirements of subsection (b) of section 7, but which shall be carried out in
286 Massachusetts and shall focus on developing, prototyping, testing, proving, or demonstrating
287 technologies that once proven would be commercially viable and useful for projects that qualify
288 pursuant to said subsection (b) of said section 7.

289 SECTION 3. Chapter 29 of the General Laws is hereby amended by inserting after
290 section 2VVVV, inserted by section 41 of chapter 133 of the acts of 2016, the following 3
291 sections:-

292 Section 2WWWW. There shall be a Clean Energy Dividend Fund to be administered by
293 the Massachusetts Clean Energy Technology Center to consist of: (i) money collected pursuant
294 to section 14 of chapter 23J; (ii) appropriations or other monies authorized by the general court
295 and specifically designated to be credited to the fund; and (iii) funds from public or private
296 sources, including, but not limited to, gifts, grants, and donations. No money from the fund shall
297 be made available for the general operations of the government. Money in the fund shall be
298 available without appropriation in accordance with sections 15 and 16 of chapter 23J.

299 Up to 2 per cent of money deposited into the fund each year shall be available to cover
300 administrative costs associated with implementing sections 14, 15, and 16 of chapter 23J. Any
301 remaining balance after clean energy dividends and Regional Greenhouse Gas Initiative
302 reimbursements are paid pursuant to said section 15 of said chapter 23J and after administrative
303 costs are paid, shall be deposited into the Massachusetts Clean Energy Fund established in
304 section 2XXXX.

305 Section 2XXXX. There shall be established and set up on the books of the
306 commonwealth a separate fund, to be known as the Massachusetts Clean Energy Fund,
307 consisting of amounts credited to the fund under section 2WWWW and chapter 23N. The fund
308 shall be administered under said chapter 23N by the board of trustees of the Massachusetts Clean
309 Energy Trust created under that chapter and shall be held in trust exclusively for the purposes

310 described in that chapter. The state treasurer shall be treasurer-custodian of the fund and shall
311 have the custody of its monies and securities.

312 Section 2YYYY. There shall be a Massachusetts Clean Energy Technology Fund to be
313 administered by the Massachusetts Clean Energy Technology Center to consist of: (i)
314 disbursements made pursuant to section 9 of chapter 23N; (ii) appropriations or other monies
315 authorized by the general court and specifically designated to be credited to the fund; and (iii)
316 funds from public or private sources, including, but not limited to, gifts, grants, and donations.
317 No money from the fund shall be made available for the general operations of the government.
318 Money in the fund shall be available without appropriation for grants or capital costs to carry out
319 coordinated technology development and demonstration projects pursuant to section 17 of
320 chapter 23J, subject to the provisions of said section 9 of said chapter 23N.

321 SECTION 4. Chapter 63 of the General Laws is hereby amended by inserting after
322 section 38FF the following section:-

323 Section 38GG. (a) Any company that qualifies pursuant to subsection (b) shall be exempt
324 from all state taxes and excises due pursuant to this chapter and chapter 62 provided that the
325 company has been certified pursuant to subsection (c).

326 (b) A company shall qualify for the exemption established in this section if it meets all of
327 the following criteria:

328 (i) The company is headquartered in Massachusetts;

329 (ii) The company and any corporations of which it is a subsidiary are owned by a person
330 or entity based in Massachusetts;

331 (iii) The company has more than 80 per cent of its employees and contractors in
332 Massachusetts; and

333

334 (iv) At least 90 per cent of the company's operations are research, development,
335 demonstration, or manufacturing of technologies that reduce overall greenhouse gas emissions
336 while providing energy more cheaply to end-users.

337 (c) The Massachusetts clean energy technology center shall certify companies as
338 qualifying under this section. The center shall adopt a procedure to accept and review
339 applications by companies to be qualified in accordance with this section.

340 SECTION 5. Subsection (f) of section 1A of chapter 164 of the General Laws, as
341 amended by sections 1 and 2 of chapter 75 of the acts of 2016, is hereby further amended by
342 striking out the first sentence and inserting in place thereof the following sentence:-

343 Neither this section nor sections 1B to 1H, inclusive, shall preclude an electric company
344 or a distribution company from constructing, owning and operating generation facilities that
345 produce solar or wind energy.

346 SECTION 6. Said chapter 164 is hereby amended by inserted after section 1L the
347 following section:-

348 Section 1M. Notwithstanding any general or special law to the contrary, electric
349 companies, distribution companies and municipal-owned electric utilities, may own and operate
350 an unlimited amount of solar or wind generation capacity, excluding residential solar capacity,
351 provided however that in any year the amount of new solar or wind capacity installed by,

352 installed on the property of, or owned by an electric company or distribution company may not
353 exceed the amount of other new solar or wind capacity that company has interconnected within
354 its distribution area during the same year.

355 SECTION 7. Section 138 of said chapter 164 is hereby amended by striking out, in line
356 72, as appearing in the 2014 Official Edition, the words “but less than or equal to 2 megawatts”.

357 SECTION 8. Section 139 of said chapter 164 , as amended by sections 5 and 6 of chapter
358 75 of the acts of 2016, is hereby further amended by striking out subsection (f) and inserting in
359 place thereof the following subsection:-

360

361 (f) For the purpose of calculating the aggregate capacity, the capacity of a solar net
362 metering facility shall be 80 per cent of the facility’s direct current rating at standard test
363 conditions and the capacity of any other net metering facility shall be the nameplate rating.

364 SECTION 9. To provide necessary infrastructure for clean energy technology
365 development and deployment, the Governor shall direct all relevant executive offices to provide
366 a thorough and speedy set of recommendations for infrastructure improvements and investments
367 in their areas of expertise or jurisdiction, which lists shall be finalized by December 1, 2017. The
368 Governor shall carry out such recommendations which the Governor is already empowered to
369 carry out, and shall recommend to the General Court further measures which would provide
370 useful infrastructure for the development and deployment of clean energy technologies and the
371 expansion and retention of a thriving clean energy and energy storage industry in Massachusetts.

372 SECTION 10. To open the energy system for innovation, competition, and
373 commercialization of technologies, the Governor shall conduct a thorough and speedy review of
374 all regulations which affect the research, testing, demonstration, manufacturing, and installation
375 of clean energy and energy storage technologies, and shall repeal or revise any regulation that is
376 burdensome to the same. Such review shall be completed and its findings implemented no later
377 than December 1, 2017.

378 Nothing in this section shall be construed to prevent the promulgation and enforcement of
379 regulations necessary to protect the safety and health of residents of the Commonwealth.

380 SECTION 11. The Massachusetts Clean Energy Technology Center shall publish and
381 begin to collect the additional charge required pursuant to subsection (f) of section 14 of chapter
382 23J of the General Laws on or before December 10, 2018.

383 SECTION 12. Section 38G of chapter 63 of the General Laws shall apply for fiscal years
384 2019 to 2023, inclusive, and shall thereafter be repealed.