SENATE DOCKET, NO. 1817 FILED ON: 1/18/2019

SENATE . . . . . No. 1924

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 to combat climate change.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
Michael J. Barrett	*Third Middlesex*	
Kenneth I. Gordon	*21st Middlesex*	*1/18/2019*
Paul A. Schmid, III	*8th Bristol*	*2/1/2019*
Carmine Lawrence Gentile	*13th Middlesex*	*1/22/2019*
Mike Connolly	*26th Middlesex*	*1/22/2019*
Jack Patrick Lewis	*7th Middlesex*	*1/28/2019*
Thomas M. Stanley	*9th Middlesex*	*1/24/2019*
Jason M. Lewis	*Fifth Middlesex*	*1/24/2019*
Julian Cyr	*Cape and Islands*	*1/24/2019*
Angelo J. Puppolo, Jr.	*12th Hampden*	*1/24/2019*
Rebecca L. Rausch	*Norfolk, Bristol and Middlesex*	*1/28/2019*
William N. Brownsberger	*Second Suffolk and Middlesex*	*1/29/2019*
Joanne M. Comerford	*Hampshire, Franklin and Worcester*	*1/28/2019*
Michael F. Rush	*Norfolk and Suffolk*	*1/31/2019*
Steven Ultrino	*33rd Middlesex*	*1/25/2019*
John J. Lawn, Jr.	*10th Middlesex*	*1/28/2019*
Alice Hanlon Peisch	*14th Norfolk*	*1/29/2019*
James T. Welch	*Hampden*	*2/1/2019*

Harriette L. Chandler	*First Worcester*	*2/1/2019*
Patricia D. Jehlen	*Second Middlesex*	*1/30/2019*
Diana DiZoglio	*First Essex*	*1/28/2019*
Brian M. Ashe	*2nd Hampden*	*1/28/2019*
David Paul Linsky	*5th Middlesex*	*1/28/2019*
Michael D. Brady	*Second Plymouth and Bristol*	*2/1/2019*
José F. Tosado	*9th Hampden*	*1/30/2019*
Marjorie C. Decker	*25th Middlesex*	*1/30/2019*
Daniel M. Donahue	*16th Worcester*	*1/30/2019*
Carlos González	*10th Hampden*	*1/29/2019*
Sal N. DiDomenico	*Middlesex and Suffolk*	*2/1/2019*
Lindsay N. Sabadosa	*1st Hampshire*	*1/30/2019*
Cynthia Stone Creem	*First Middlesex and Norfolk*	*2/1/2019*
Dylan A. Fernandes	*Barnstable, Dukes and Nantucket*	*1/30/2019*
Denise Provost	*27th Middlesex*	*1/30/2019*
Kay Khan	*11th Middlesex*	*1/30/2019*
Sonia Chang-Diaz	*Second Suffolk*	*2/1/2019*
James B. Eldridge	*Middlesex and Worcester*	*1/30/2019*
Adam G. Hinds	*Berkshire, Hampshire, Franklin and Hampden*	*2/1/2019*
Edward J. Kennedy	*First Middlesex*	*2/1/2019*
Joseph A. Boncore	*First Suffolk and Middlesex*	*1/31/2019*
Paul R. Feeney	*Bristol and Norfolk*	*1/31/2019*
Cindy F. Friedman	*Fourth Middlesex*	*2/1/2019*
Michelle L. Ciccolo	*15th Middlesex*	*1/30/2019*
Bud L. Williams	*11th Hampden*	*1/31/2019*
Tommy Vitolo	*15th Norfolk*	*1/31/2019*
Ruth B. Balser	*12th Middlesex*	*1/31/2019*
Maria Duaime Robinson	*6th Middlesex*	*1/31/2019*
Natalie M. Higgins	*4th Worcester*	*1/31/2019*
Smitty Pignatelli	*4th Berkshire*	*1/31/2019*
John Barrett, III	*1st Berkshire*	*1/31/2019*
James Arciero	*2nd Middlesex*	*1/31/2019*
Elizabeth A. Malia	*11th Suffolk*	*1/31/2019*
Jonathan Hecht	*29th Middlesex*	*2/1/2019*
Brendan P. Crighton	*Third Essex*	*2/1/2019*
Tami L. Gouveia	*14th Middlesex*	*2/1/2019*
John F. Keenan	*Norfolk and Plymouth*	*2/1/2019*
Russell E. Holmes	*6th Suffolk*	*2/1/2019*

Paul Brodeur	*32nd Middlesex*	*2/1/2019*
James J. O'Day	*14th Worcester*	*2/1/2019*
Sean Garballey	*23rd Middlesex*	*2/1/2019*
Bruce J. Ayers	*1st Norfolk*	*2/1/2019*
Susannah M. Whipps	*2nd Franklin*	*2/1/2019*
Edward F. Coppinger	*10th Suffolk*	*2/1/2019*
Michelle M. DuBois	*10th Plymouth*	*2/1/2019*
Nick Collins	*First Suffolk*	*2/1/2019*
James K. Hawkins	*2nd Bristol*	*2/5/2019*
David M. Rogers	*24th Middlesex*	*2/12/2019*
Joan B. Lovely	*Second Essex*	*7/8/2019*

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SENATE . . . . . No. 1924

By Mr. Barrett, a petition (accompanied by bill, Senate, No. 1924) of Michael J. Barrett, Kenneth I. Gordon, Paul A. Schmid, III, Carmine Lawrence Gentile and other members of the General Court for legislation to combat climate change. Telecommunications, Utilities and Energy.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *1821* OF 2017-2018.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-First General Court
(2019-2020)

An Act to combat 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:

SECTION 1. Section 1 of chapter 21N of the General Laws, as amended by sections 7 through 10, inclusive, of chapter 209 of the Acts of 2018, is hereby amended by inserting after the definition of "Greenhouse gas emissions source" the following definition:-

"Greenhouse gas-emitting priority", natural gas, petroleum, coal, and any solid, liquid or gaseous fuel derived therefrom, and any other matter that both emits, or is capable of emitting, a greenhouse gas when burned and is designated a priority by the department for the purposes of this chapter.

SECTION 2. Said section 1 of said chapter 21N, is hereby further amended by striking out the definition of "Market-based compliance mechanism", and inserting in place thereof the following definition:-

"Market-based compliance mechanism", any form of price compliance system imposed on sources or categories of sources or any form of pricing mechanism imposed on greenhouse gas-emitting priorities that is designed to meet a statewide greenhouse gas emissions limit established pursuant to this chapter, including but not limited to: (i) a system of market-based declining annual aggregate emissions limitations for sources or categories of sources that emit greenhouse gases; (ii) greenhouse gas emissions exchanges, banking, credits and other transactions governed by rules and protocols established by the secretary or a regional program that results in the same greenhouse gas emissions reduction, over the same time period, as direct compliance with a greenhouse gas emissions limit or emission reduction measure adopted by the executive office pursuant to this chapter; or (iii) a system of charges or exactions imposed to reduce statewide greenhouse gas emissions in whole or in part.

SECTION 3. Said section 1 of said chapter 21N, is hereby further amended by inserting after the definition of "Person" the following definition:-

"Rural municipality", a city or town in which residents drive, on average, 130% or more per year than the statewide average number of miles driven per household in the commonwealth.

SECTION 4. Said chapter 21N, as appearing in the 2016 Official Edition, is hereby further amended by inserting after section 7 the following section:-

Section 7A. The secretary shall promulgate regulations establishing a market-based compliance mechanism or combination of such mechanisms for: (i) the transportation sector;

provided, however, that the regulations shall, at a minimum, be designed to reduce passenger vehicle and light duty truck emissions; (ii) the commercial, industrial and institutional sectors, including but not limited to buildings and industrial, manufacturing and other business processes; and (iii) the residential building sector.

Proceeds realized by a market-based compliance mechanism established pursuant to this section shall be treated or disbursed as follows: (i) as rebates or refunds to residents and employers of the commonwealth in proportion to the aggregate monies collected from residents and employers; or (ii) as monies credited to the carbon pricing trust fund established in section 2WWWW of chapter 29 of the General Laws, which monies shall be expended pursuant to said section; provided, that the secretary may allocate a reasonable amount of proceeds to reimburse the commonwealth for any direct costs incurred in the administration of activities authorized by this section.

A market-based compliance mechanism or combination of mechanisms established pursuant to this section (i) shall, by means of emissions containment reserves and other appropriate program features, maximize the ability of the commonwealth to achieve the greenhouse gas emissions limits established pursuant to this chapter; provided, that any charges, exactions, allowances, or permits shall be set, imposed, allocated, auctioned, sold or authorized so as to maximize the likelihood that, beginning in the first year of implementation, said charges, exactions, allowances or permits shall result in a cost of emissions per metric ton of carbon dioxide equivalent of not less than 15 dollars; provided, further, that said charges, exactions, allowances, or permits shall be set, imposed, allocated, auctioned, sold or authorized so as to maximize the likelihood that the cost of emissions per metric ton of carbon dioxide equivalent will increase by five dollars each year, up to a ceiling of 60 dollars per metric ton of carbon

dioxide equivalent; (ii) shall allocate proceeds, rebates, refunds and monies so as to mitigate, or avoid altogether, any net financial burden that would otherwise be imposed by said mechanism on low- income residents, whether in urban, rural, or suburban municipalities; (iii) shall allocate proceeds, rebates, refunds and monies so as to mitigate, or avoid altogether, any disproportionate financial burden that would otherwise be imposed by said mechanism on residents of rural municipalities who are not low-income; (iv) shall allocate proceeds, rebates, refunds, and monies so as mitigate, or avoid altogether, any disproportionate and unreasonable financial burden that would otherwise be imposed by said mechanism upon an economic subsector of the commonwealth.

The secretary may promulgate regulations to enable and facilitate coordinated efforts with other states or Canadian provinces to implement, join or expand market-based compliance mechanisms involving multiple jurisdictions.

Section 7B. (a) The secretary shall make reasonable efforts to ensure that any charges, exactions, allowances or permits created pursuant to section 7A of this chapter are set, imposed, allocated, auctioned, sold or authorized at the earliest possible point in the supply or distribution chain within the commonwealth.

(b) The secretary shall consider various calendar schedules for distributing any rebates, refunds, proceeds and monies generated pursuant to section 7A of this chapter, including partial or complete distributions early in a relevant revenue cycle.

(c) The secretary shall make all reasonable efforts to ensure that any charges, exactions, allowances or permits created pursuant to section 7A of this chapter are set, imposed, allocated,

auctioned, sold or authorized prior to the occurrence of any fugitive emissions or any leaks due to suboptimal storage or transmission within the commonwealth.

SECTION 5. Section 2ZZZ of chapter 29 of the General Laws, as so appearing, is hereby amended by adding the following subsection:-

(f) In addition to those revenues credited annually to the fund under subsections (a) and (c), and in addition to those revenues credited to the fund under subsection (e) for fiscal years 2015 through 2020, inclusive, there shall be credited to the fund any monies received from the carbon pricing trust fund established by section 2WWWW of chapter 29 of the general laws. In addition to expenditures made pursuant to appropriation and disbursements required by subsection (d), all monies received from the carbon pricing trust fund shall be annually distributed to the Massachusetts Bay Transportation Authority or a fund controlled by the Authority and to regional transit authorities organized under chapter 161B or predecessor statutes.

SECTION 6. Chapter 29 of the General Laws, as so appearing, is hereby amended by adding the following 2 sections:-

Section 2WWWW. There shall be established and set up on the books of the commonwealth a separate fund to be known as the carbon pricing trust fund, in this section referred to as the fund, to be administered by the executive office of energy and environmental affairs. There shall be credited to the fund any monies realized by a market-based compliance mechanism established pursuant to section 7A of chapter 21N and not distributed as rebates or refunds to residents and employers of the commonwealth. Such monies shall be annually disbursed as follows: (i) 60 per cent to the Commonwealth Transportation Fund; (ii) 30 per cent

to be expended in the form of school aid in partial satisfaction of amounts due under chapter 70 of the General Laws; (iii) 5 per cent to the environmental health and justice trust fund established in section 2XXXX of this chapter; and (iv) 5 per cent to support electric vehicle incentives, including but not limited to rebates provided under the Massachusetts Offers Rebates for Electric Vehicles program, also known as MOR-EV, or any successor or similar electric vehicle rebate program. All monies allocated to the Commonwealth Transportation Fund pursuant to this section shall be used to facilitate, directly or indirectly, reductions in greenhouse gas emissions through investment in new public transportation infrastructure or other forms of clean transportation.

Section 2XXXX. (a) There shall be established and set up on the books of the commonwealth a separate fund to be known as the environmental health and justice trust fund, in this section referred to as the fund, to be administered by the executive office of energy and environmental affairs. There shall be credited to the fund certain sums disbursed by the carbon pricing trust fund authorized by this chapter, as well as any appropriations made by the legislature and any investment income earned on assets of the fund. The fund shall expend its monies to assist communities identified as having significant pollution impacts and population vulnerabilities compared to other communities in the commonwealth. Amounts remaining in the fund at the end of the fiscal year shall not revert to the General Fund and shall be available for expenditure in succeeding fiscal years.

SECTION 7. The regulations required pursuant to clause (i) of the first paragraph of section 7A of chapter 21N of the General Laws shall be promulgated and in effect not later than December 31, 2021.

SECTION 8. The regulations required pursuant to clause (ii) of the first paragraph of section 7A of chapter 21N of the General Laws shall be promulgated and in effect not later than December 31, 2022.

SECTION 9. The regulations required pursuant to clause (iii) of the first paragraph of section 7A of chapter 21N of the General Laws shall be promulgated and in effect not later than December 31, 2023.