

SENATE No. 2834

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

1 by striking all after the enacting clause and inserting in place thereof the following:-

2 SECTION 1. Chapter 21N is hereby amended by inserting at the following new section:-

3 SECTION 12. (a) The executive office of energy and environmental affairs shall develop
4 policies, programs, grants, loans and incentives to meet the statewide natural and working lands
5 goal as identified in the plan, including, but not limited to, a communities for a sustainable
6 climate program. The executive office of energy and environmental affairs shall apply and
7 disburse monies and revenues as provided in this section.

8 (b) The secretary shall establish a communities for a sustainable climate program.
9 The purpose of the program shall be to provide technical and financial assistance, including
10 incentives, grants and loans, to municipalities that qualify as sustainable communities under this
11 section. These incentives, grants and loans shall be used to finance all or a portion of the costs of
12 designing, constructing and implementing actions and strategies to reduce greenhouse gas
13 emissions and increase carbon sequestration on natural and working lands.

14 (c) To qualify as a community for a sustainable climate, a municipality or other
15 local governmental body shall comply with eligibility requirements developed by the secretary or
16 his designee. Eligibility requirements are intended to incentivize communities to adopt policies

and practices that protect, enhance, and restore carbon stocks on natural and working lands beyond business as usual. The secretary shall set eligibility requirements from among, but not limited to, the following: (1) adopt a municipal tree retention and replacement by-law or ordinance; (2) adopt natural resource protection zoning, as defined by the secretary; (3) collect a reasonable fee to be used exclusively for measures to remedy and offset the generation of greenhouse gases caused by activities that convert forest, wetlands, and agricultural lands for development at a size and scale determined by the secretary; (4) adopt a municipal transfer of development rights by-law or ordinance; and (5) adopt and implement a municipal procurement policy for municipal purchasing and substituting wood products for municipal operations and assets, where feasible, including but not limited to, concrete and steel in buildings. The secretary may waive specified requirements based on a written finding that, due to unusual circumstances, a municipality cannot reasonably meet the requirements and that the municipality has committed to alternative measures that advance the purposes of the communities for a sustainable climate program as effectively as adherence to the requirements. The Secretary may adopt alternative eligibility requirements that provide opportunities to achieve the goals of the program.

(d) The secretary may develop policies to provide for consistency and predictability and to help offset the impacts of municipal ordinances and by-laws upon the private sector under the communities for a sustainable climate program that may be adopted by participating communities, including, but not limited to, grants, loans, incentives and tax credits and expedited permitting for practices and strategies consistent with the goals to reduce greenhouse gas emissions and increase carbon sequestration on natural and working lands.

(e) Funding for the communities for a sustainable climate program in any single fiscal year shall be available, without the need for further appropriation, from sources including,

but not limited to: (1) the global warming solutions trust fund established in section 35GGG of chapter 10 of the general laws; and (2) land management and restoration grant, loan and incentive programs administered by the executive office of energy and environmental affairs."

SECTION 2. Section 1 of chapter 23J of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by striking out the definitions of "Clean energy" and "Clean energy research" and inserting in place thereof the following 2 definitions: -

"Clean energy", advanced and applied technologies that significantly reduce or eliminate the use of energy from non-renewable sources, including, but not limited to: (i) energy efficiency; (ii) demand response; (iii) energy conservation; or (iv) technologies powered, in whole or in part, by the sun, wind, water, geothermal energy, including networked geothermal and deep geothermal energy, hydrogen produced by non-fossil fuel sources and methods, alcohol, fuel cells, nuclear fusion and fission or any other renewable, non-depletable or recyclable fuel; provided, however, that "clean energy" shall include an alternative energy generating source as defined in clauses (i) to (vi), inclusive, of subsection (a) of section 11F ½ of chapter 25A.

"Clean energy research", advanced and applied research in new clean energy technologies including: (i) solar photovoltaic; (ii) solar thermal; (iii) wind power; (iv) geothermal energy, including networked geothermal and deep geothermal energy; (v) wave and tidal energy; (vi) advanced hydropower; (vii) energy transmission and distribution; (viii) energy storage; (ix) renewable biofuels, including ethanol, biodiesel and advanced biofuels; (x) renewable, biodegradable chemicals; (xi) advanced thermal-to-energy conversion; (xii) nuclear fusion and fission; (xiii) hydrogen produced by non-fossil fuel sources and methods; (xiv) carbon capture

and sequestration; (xv) energy monitoring; (xvi) green building materials; (xvii) energy efficiency; (xviii) energy-efficient lighting; (xix) gasification and conversion of gas to liquid fuels; (xx) industrial energy efficiency; (xxi) demand-side management; and (xxii) fuel cells; provided, however, that "clean energy research" shall not include advanced and applied research in coal, oil, natural gas or nuclear power other than nuclear fusion and nuclear fission; (xxiii) energy storage.

SECTION 3. Section 8 of said chapter 23J, as so appearing, is hereby amended by striking out the third sentence and inserting in place thereof the following sentence:-

The grants shall include matching grants to such public institutions of higher education and such vocational technical schools for the development of small-scale renewable clean energy generating sources, energy storage technologies, energy efficiency innovations and energy transmission and distribution innovations, including, but not limited to: (i) photovoltaic installations; (ii) wind energy; (iii) ocean thermal, wave or tidal energy; (iv) fuel cells; (v) hydrogen produced by non-fossil fuel sources and methods; (vi) landfill gas; (vii) natural flowing water and hydroelectric; (viii) low-emission advanced biomass power conversion technologies using biomass fuels including, but not limited to, wood, agricultural or food wastes; (ix) renewable biogas, biodiesel or organic refuse-derived fuel; (x) geothermal energy, including networked geothermal and deep geothermal energy; (xi) nuclear fusion and fission, and (xii) energy storage; provided, however, that the matching grants shall not be awarded for such development if it includes as sources coal, oil or natural gas resources other than the sources enumerated here or nuclear power other than nuclear fusion.

SECTION 4. Section 9 of said chapter 23J is hereby amended by striking out, in line 118, as so appearing, the words “biomass thermal and” and inserting in place thereof the following words:- including networked geothermal and deep geothermal energy, and.

SECTION 5. Section 13 of said chapter 23J is hereby amended by striking out subsection (a), inserted by section 14 of said chapter 8, and inserting in place thereof the following subsection:-

(a) There shall be within the center a clean energy equity workforce and market development program to provide workforce training, educational and professional development, job placement, startup opportunities and grants to: (i) certified minority-owned and women-owned small business enterprises; (ii) individuals residing within an environmental justice community; (iii) current and former workers from the fossil fuel industry; and (iv) any other business or community that is underrepresented in the clean energy workforce or clean energy industry. The program shall promote participation in the commonwealth’s energy efficiency, clean energy and clean heating and cooling industries and promote access to the benefits of clean energy, clean transportation, electrification, energy efficiency and reducing the energy burden. The program shall: (i) identify the employment potential of the energy efficiency and clean energy industries and the skills and training needed for workers in those fields; (ii) maximize energy efficiency and clean energy employment opportunities for certified minority-owned and women-owned small business enterprises, individuals residing within an environmental justice community and any other business or community that is underrepresented in the clean energy workforce or clean energy industry; (iii) provide grants and support to community-based organizations and organizations serving environmental justice communities to expand access to clean energy, clean transportation, building electrification and energy efficiency or reduce the

energy burden in such communities; (iv) identify barriers to deployment of clean energy and energy storage resources to certified minority-owned and women-owned small business enterprises; (v) identify near-term deployment targets consistent with the state's clean energy and climate change requirements and award incentives to deploy such resources; and (vi) make recommendations to the general court for policies to promote employment growth and access to jobs in the clean energy industry.

SECTION 6. Said chapter 23J is hereby further amended by adding the following section:-

Section 15. (a) There shall be established and placed within the center a separate fund to be known as the Clean Energy Investment Fund to be administered by the center. The fund shall be credited with: (i) revenue from appropriations or other money authorized by the general court and specifically designated to be credited to the fund; (ii) interest earned on such revenue; and (iii) funds from public and private sources and other gifts, grants and donations for the establishment and expansion of workforce training and development initiatives to support the clean energy industry; (iv) transfers from the Commonwealth Decarbonization and Energy Independence Fund established under section 2PPPPP of chapter 29. All amounts credited to the fund shall be used solely for activities and expenditures consistent with the public purposes of the fund as set forth in subsection (b), including the ordinary and necessary expenses of administration and operation associated with the fund. Amounts credited to the fund shall not be subject to further appropriation and any money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

(b) The center shall make expenditures from the fund for the purposes of:

128 (i) advancing clean energy research and technologies to commonwealth-based
129 investors, entrepreneurs and institutions that are involved in the clean energy industry;

130 (ii) providing workforce development and technical training programs for public
131 higher education and vocational-technical education institutions;

132 (iii) developing a regional strategy for regional employment boards to support the
133 development of the clean energy industry; provided, however, that the regional employment
134 boards shall publish their findings as an addendum to their workforce development blueprints;

135 (iv) supporting infrastructure, including, but not limited to, port infrastructure,
136 development related to supporting the clean energy industry in the commonwealth;

137 (v) matching funds to secure future federal funding to support the clean energy
138 industry and clean energy research in the commonwealth;

139 (vi) supporting research and development in the clean energy industry, including,
140 but not limited to, the interrelationship between clean energy infrastructure and existing natural
141 habitats, ecosystems and dependent species;

142 (vii) supporting improved outcomes from the development of clean energy
143 resources;

144 (viii) supporting the long-term coexistence and sustainability of the fishing and
145 clean energy industries; and

146 (ix) providing for the necessary and reasonable administrative and personnel costs
147 of the center or of the executive office of energy and environmental affairs related to
148 administering the fund.

149 (c) The fund's activity shall be included in the annual report required by the
150 second paragraph of section 5.

151 SECTION 7. Subsection (a) of said section 16 of said chapter 25A, as so appearing, is
152 hereby amended by adding the following 2 definitions: -

153 "Qualifying zero-emission vehicle", a new or used motor vehicle: (i) that is a
154 zero-emission vehicle; (ii) that has been manufactured primarily for use on public streets, roads
155 and highways; (iii) that is registered within the commonwealth; (iv) whose purchaser's primary
156 residence or business location is within the commonwealth; and (v) whose purchaser files proof
157 of primary residency and each qualifying vehicle's registration within the commonwealth not
158 later than 90 days after purchase.

159 "Zero-emission vehicle", a motor vehicle that produces no engine exhaust carbon
160 emissions.

161 SECTION 8. Said chapter 25A is hereby further amended by adding the following
162 section:-

163 Section 19. (a) There shall be a Passenger Vehicle Decarbonization and Charging
164 Station Fund to be expended, without further appropriation, by the department of energy
165 resources for funding electric vehicle incentive programs and charging stations consistent with
166 this section. The fund shall be credited with: (i) money from public and private sources,
167 including gifts, grants and donations; (ii) interest earned on such money; (iii) any other money
168 authorized by the general court and specifically designated to be credited to the fund; (iv) any
169 funds provided from other sources; and (v) transfers from the Commonwealth Decarbonization
170 and Energy Independence Fund established under section 2PPPPP of chapter 29. No expenditure

from the fund shall cause the fund to be deficient at the close of a fiscal year. Revenues deposited in the fund that are unexpended at the end of a fiscal year shall not revert to the General Fund and shall be available for expenditure in the following fiscal year.

(b)(1) The department shall establish a program of rebates and other financial incentives to parties that purchase or lease a new or used qualifying zero-emission vehicle in the commonwealth. The program shall apply to individual and corporate fleet purchases of passenger cars and light duty, medium duty and heavy duty trucks, buses and vans; provided, however, that no rebate or other financial incentive shall be made available under this section for a zero-emission vehicle that is a passenger car or light duty truck with a sales price that exceeds \$60,000 or for a zero-emission vehicle that is leased for a period of less than 36 months. The department shall set a maximum sales price for medium duty or heavy-duty trucks, busses and vans.

(2) The program shall include a point-of-sale rebate model that offers consumers savings at the point of purchase.

(c) The department shall offer rebates of not less than \$3,500 and not more than \$5,000 for a qualifying zero-emission vehicle that is a passenger car or a light duty truck and meets the requirements under subsection (b). The department shall provide rebates of not less than \$4,500 and not more than \$6,000 for the purchase or lease of: (i) a qualifying zero-emission vehicle that is a medium duty or heavy duty truck, bus or van; or (ii) a qualifying zero-emission vehicle under said subsection (b) if an individual is purchasing or leasing the vehicle and trading in a vehicle with market value that has an internal combustion engine that is not an electric vehicle as defined in section 16; provided, however, that the vehicle with an internal combustion

engine has been continuously registered for the previous 2 years: (A) in the commonwealth; and
(B) to the consumer or the consumer's immediate family.

(d) Consumers who install an electric vehicle charging stations. The rebate shall
be \$500

(e) The department shall publish and regularly update cumulative data regarding
usage of the programs established in this section, including, but not limited to, the number and
dollar value per fiscal year of rebates and incentives provided, sortable by: (i) zip code,
municipality, make, model, dealership and whether ownership is personal or corporate; (ii)
vehicle type; and (iii) vehicle weight. Such information shall be published and regularly updated
on a website maintained by or provided for the department. Annually, the department shall
compile the data required to be collected under this paragraph in a report to be filed not later than
September 1 for the previous fiscal year with the senate and house committees on ways and
means, the joint committee on transportation and the joint committee on telecommunications,
utilities and energy and the clerks of the house and senate. The report shall include an analysis
of the programs established in this section, including, but not limited to, examining the cost-
effectiveness of the programs in reducing greenhouse gas emissions.

(f) The department may promulgate regulations to implement this section

SECTION 9. Chapter 29 of the general laws is hereby amended by inserting after section
200000 the following new section:-

Section 2PPPPP (a) There shall be established and set up on the books of the
commonwealth the Commonwealth Decarbonization and Energy Independence fund the purpose
of which shall be to provide funding for statewide, comprehensive, sustained efforts to reduce

215 and eliminate carbon emissions through a broad spectrum of strategies, mechanisms, and
216 initiatives including but not limited to energy conservation, renewable energy generation and
217 transmission, electric grid modernization, energy storage, the replacement of fossil fuel
218 consuming vehicles and equipment and residential and commercial space conditioning
219 equipment, and the promotion of any corresponding planning, design, construction and
220 acquisition of facilities, technologies, or other means to achieve such goals and seek geographic
221 equity and social and environmental justice.

222 The fund shall be administered by the Secretary of Administration and Finance, in
223 consultation with the secretary of energy and environmental affairs, the secretary of
224 transportation, and the secretary of housing and economic development, whom shall meet not
225 less than quarterly for the purposes of such administration. The fund shall be credited with: (i)
226 revenue from appropriations or other money authorized by the general court and specifically
227 designated to be credited to the fund; (ii) interest earned on such revenues; and (iii) funds from
228 public and private sources such as gifts, grants and donations. Amounts credited to the fund shall
229 not be subject to further appropriation and any money remaining in the fund at the end of a fiscal
230 year shall not revert to the General Fund.

231 (b) Amounts credited to the fund may be expended for purposes that assist the
232 commonwealth in its efforts to a sustainable clean energy future including but not limited to the
233 following funds (1) Clean Energy Investment Fund; (2) Passenger Vehicle Decarbonization and
234 Charging Station Fund; (3) Fleet Modernization fund; and (4) Electric Grid Capacity, Reliability
235 and Resilience Fund

(c) The Secretary of Administration and Finance shall annually develop an expenditure plan for the Commonwealth Decarbonization and Energy Independence Fund and said plan shall be submitted to the clerks of the house and senate 60 days prior to funds being expended

SECTION 10. Said Chapter 29 of the general laws is hereby further amended by inserting after section 2PPPPP the following new section:-

Section 2QQQQQ (a) There shall be established and set up on the books of the commonwealth the Fleet Modernization Fund, whose purpose shall be to provide funding for grants, subsidies, incentives, and other mechanisms to support and expedite the conversion of fleets of buses and other vehicles operated by regional transit authorities and public-school districts in the commonwealth from those powered by fossil fuels to zero emission vehicles, and to offset forgone revenue attributable to tax credits established by chapter 62 section 65 for commercial vehicle and equipment conversion to reduce emissions. The fund shall be credited with: (i) money from public and private sources, including gifts, grants and donations; (ii) interest earned on such money; (iii) any other money authorized by the general court and specifically designated to be credited to the fund; (iv) any funds provided from other sources; and (v) transfers from the Commonwealth Decarbonization and Energy Independence Fund established under section 2PPPPP of chapter 29. No expenditure from the fund shall cause the fund to be deficient at the close of a fiscal year. Revenues deposited in the fund that are unexpended at the end of a fiscal year shall not revert to the General Fund and shall be available for expenditure in the following fiscal year.

The fund shall be administered by the Secretary of Transportation, in consultation with the Commissioner of the Department of Energy Resources and the chief executive officer of the

Massachusetts Clean Energy Center, pursuant to an annual plan, the development of which shall include not less than one public hearing, and which shall maximize geographic equity and social justice, provided that such plan shall be filed with the clerks of the House and Senate and the House and Senate Committees on Ways and Means and posted electronically not less than 60 days prior to any expenditure prescribed by such plan. The secretary shall submit an annual accounting of all expenditures from the fund to the House and Senate Committees on Ways and Means, and the clerks of the House and Senate.

Mechanisms eligible for funding through the fund shall include, but not be limited to, grants or rebates for the purchase of zero emission vehicles, charging stations and related infrastructure, the planning, design and construction of necessary facilities and electrical system upgrades to support such vehicles, and energy storage infrastructure necessary to support the reliable operation of such vehicles and maximize opportunities for charging electric vehicles during periods of low electricity demand. Not more than 50% of any annual spending from the fund shall be allocated to either school districts or regional transit authorities.

SECTION 11. Said Chapter 29 of the general laws is hereby further amended by inserting after section 2QQQQQ the following new section:-

Section 2RRRRR. There shall be established and set up on the books of the commonwealth the Electric Grid Capacity, Reliability and Resilience Fund, whose purpose shall be to provide funding for grants, subsidies, incentives, and other mechanisms to support and expedite modernization of the electrical grid to ensure it can handle all of the new load, and all of the new renewable sources of electricity. The fund shall be credited with: (i) money from public and private sources, including gifts, grants and donations; (ii) interest earned on such money; (iii)

any other money authorized by the general court and specifically designated to be credited to the fund; (iv) any funds provided from other sources; and (v) transfers from the Commonwealth Decarbonization and Energy Independence Fund established under section 2PPPPP of chapter 29. No expenditure from the fund shall cause the fund to be deficient at the close of a fiscal year. Revenues deposited in the fund that are unexpended at the end of a fiscal year shall not revert to the General Fund and shall be available for expenditure in the following fiscal year.

The fund shall be administered by the Department of Energy Resources in consultation with the Department of Public Utilities, pursuant to an annual plan, the development of which shall include not less than one public hearing, and which shall maximize geographic equity and social justice, provided that such plan shall be filed with the clerks of the House and Senate and the House and Senate Committees on Ways and Means and posted electronically not less than 60 days prior to any expenditure prescribed by such plan. The commissioner shall submit an annual accounting of all expenditures from the fund to the House and Senate Committees on Ways and Means, and the clerks of the House and Senate.

SECTION 12. Section 2A of chapter 61A of the General Laws is hereby amended by striking out subsections (b) and (c), as appearing in the 2020 Official Edition, and inserting in place thereof the following 3 subsections:-

(b) In addition to the use provided for in subsection (a), land used primarily and directly for agricultural purposes pursuant to section 1 or land used primarily and directly for horticultural use pursuant to section 2 may, in addition to being used primarily and directly for agriculture or horticulture, be used to site a renewable energy generating source as defined in subsection (b) of section 11F of chapter 25A that qualifies in accordance with a solar incentive

program for agriculture or horticulture sectors developed by the department of energy resources, if such renewable energy generating source does not impede the continued use of the land for agricultural or horticultural purposes pursuant to this chapter.

(c) Land used primarily and directly for agricultural purposes pursuant to section 1 or land used primarily and directly for horticultural purposes pursuant to section 2 shall be deemed to be in agricultural or horticultural use pursuant to this chapter if used to simultaneously site a renewable energy generating source pursuant to subsection (a) or subsection (b).

(d) Renewable energy generating sources located on land used primarily and directly for agricultural purposes pursuant to section 1 or land used primarily and directly for horticultural purposes pursuant to section 2 shall be subject to the provisions afforded to land used for agriculture under section 3 of chapter 40A.

SECTION 13. Chapter 62 of the general laws is hereby amended by inserting after section 64 the following new section:-

Section 65. (a) There shall be a Massachusetts commercial vehicle and equipment tax credit. The department may authorize annually under this section together with section 2QQQQQ of chapter 29 the total sum of \$10,000,000. The tax credits shall be available only for vehicles purchased to replace currently registered vehicles where such registered vehicles are being traded in or retired, and such new vehicles meet the requirement of Tier 3 emissions standards as defined by the Environmental Protection Agency under 40 CFR Parts 79, 80, 85, 86, 600, 1036.

(b) The department of transportation in consultation with the department of revenue shall promulgate regulations to implement this section.

SECTION 14. section 139 of said chapter 164 is hereby further amended by inserting after subsection (i), as amended by section 85 of chapter 8 of the acts of 2021, the following subsection:-

(i 1/2) A Class I net metering facility greater than 25 kilowatts in nameplate capacity, a Class II net metering facility or a Class III net metering facility shall be exempt from the aggregate net metering capacity of net metering facilities and may net meter and accrue market net metering credits if it is generating renewable energy and serves on-site load, other than parasitic load.

SECTION 15. Section 83C of said chapter 169, as most recently amended by section 69 of chapter 24 of the acts of 2021, is hereby further amended by striking out subsections (a) to (e), inclusive, and inserting in place thereof the following 5 subsections:-

(a) To facilitate the financing of offshore wind energy generation resources in the commonwealth, every distribution company shall jointly and competitively, in coordination with the department of energy resources, solicit proposals for offshore wind energy generation. If reasonable proposals have been received, each distribution company shall enter into long-term contracts that are cost-effective and promote economic development in the commonwealth. Long-term contracts executed pursuant to this section shall be subject to the approval of the department of public utilities and shall be apportioned among the distribution companies.

(b) The timetable and method for solicitations of long-term contracts shall be proposed by the department of energy resources in coordination with the distribution companies using a competitive bidding process and shall be subject to review and approval by the department of public utilities. The department of energy resources shall consult with the distribution companies

and the attorney general regarding the choice of solicitation methods. A solicitation may be coordinated and issued jointly with other New England states or entities designated by those states. The distribution companies, in coordination with the department of energy resources, may conduct 1 or more competitive solicitations through a staggered procurement schedule developed by the department of energy resources; provided, however, that the schedule shall ensure that the distribution companies enter into cost-effective long-term contracts for offshore wind energy generation equal to approximately 5,600 megawatts of aggregate nameplate capacity not later than June 30, 2027, including capacity authorized pursuant to section 21 of chapter 227 of the acts of 2018; and provided further, that individual solicitations shall seek proposals for not less than 400 megawatts of aggregate nameplate capacity of offshore wind energy generation resources. The staggered procurement schedule shall be developed by the department of energy resources and shall specify that any subsequent solicitation shall occur within 24 months of a previous solicitation. Proposals received pursuant to a solicitation under this section shall be subject to review by the department of energy resources and the executive office of housing and economic development, in consultation with the independent evaluator and the electric distribution companies for technical advice. The department of energy resources shall, in consultation with the independent evaluator, issue a final, binding determination of the winning bid; provided, however, that the final contract executed shall be subject to review by the department of public utilities. The department of energy resources may require additional solicitations to fulfill the requirements of this section. If the department of energy resources, in consultation with the independent evaluator, determines that reasonable proposals were not received pursuant to a solicitation, the department may terminate the solicitation and may require additional solicitations to fulfill the requirements of this section.

(c) In developing proposed long-term contracts, the distribution companies shall consider long-term contracts for renewable energy certificates, for energy and for a combination of both renewable energy certificates and energy. A distribution company may decline to pursue a contract if the contract's terms and conditions would require the contract obligation to place an unreasonable burden on the distribution company's balance sheet after consultation with the department of energy resources; provided, however, that the distribution company shall take all reasonable actions to structure the contracts, pricing or administration of the products purchased under this section to prevent or mitigate an impact on the balance sheet or income statement of the distribution company or its parent company, subject to the approval of the department of public utilities; and provided further, that mitigation shall not increase costs to ratepayers. If a distribution company deems all contracts to be unreasonable, the distribution company shall consult with the department of energy resources and, within 20 days of the date of its decision, submit a filing to the department of public utilities. The filing shall include, in the form and detail prescribed by the department of public utilities, documentation supporting the distribution company's decision to decline the contract. Following a distribution company's filing, and within 4 months of the date of filing, the department of public utilities shall approve or reject the distribution company's decision and may order the distribution company to reconsider any contract. The department of public utilities shall take into consideration the department of energy resources' recommendations on the distribution company's decision. The department of energy resources may require additional solicitations to fulfill the requirements of this section.

(d) The department of public utilities shall promulgate regulations consistent with this section. The regulations shall: (i) allow offshore wind developers of offshore wind energy generation to submit proposals for long-term contracts consistent with this section; (ii) require

392 that a proposed long-term contract executed by the distribution companies under a proposal be
393 filed with and approved by the department of public utilities before becoming effective; (iii)
394 provide for an annual remuneration for the contracting distribution company of 1.25 per cent of
395 the annual payments under the contract to compensate the company for accepting the financial
396 obligation of the long-term contract; provided, however, that such provision shall be acted upon
397 by the department of public utilities at the time of contract approval; (iv) require associated
398 transmission costs to be incorporated into a proposal; provided, however, that, to the extent there
399 are transmission costs included in a bid, the department of public utilities may authorize or
400 require the contracting parties to seek recovery of such transmission costs of the project through
401 federal transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory
402 Commission if the department finds such recovery is in the public interest; and (v) require that
403 offshore wind energy generating resources to be used by a developer under the proposal: (A)
404 where feasible, create and foster employment and economic development in the commonwealth;
405 (B) provide enhanced electricity reliability, system safety and energy security; (C) contribute to
406 reducing winter electricity price spikes; (D) are cost effective and beneficial to electric
407 ratepayers in the commonwealth over the term of the contract, taking into consideration potential
408 costs and benefits to the ratepayers, including potential economic and environmental benefits;
409 (E) avoid line loss and mitigate transmission costs to the extent possible and ensure that
410 transmission cost overruns, if any, are not borne by ratepayers; (F) adequately demonstrate
411 project viability in a commercially reasonable timeframe; (G) allow offshore wind energy
412 generation resources to be paired with energy storage systems; (H) include an initial
413 environmental and fisheries mitigation plan for the construction and operation of such offshore
414 wind facilities; and (I) mitigate impacts to the marine environment by providing financial and

technical assistance to support robust monitoring of wildlife and habitat through contributions to regional research efforts. The department of energy resources shall give preference to proposals that demonstrate benefits from: (i) documented, direct or performance-based economic development and employment activity, including opportunities for diversity, equity and inclusion; (ii) mitigation and avoidance of detrimental environmental and socioeconomic impacts; and (iii) benefits to environmental justice communities and low-income ratepayers in the commonwealth.

(e) A proposed long-term contract shall be subject to the review and approval of the department of public utilities. As part of its approval process, the department of public utilities shall consider recommendations by the attorney general, which shall be submitted to the department of public utilities within 45 days following the filing of a proposed long-term contract with the department of public utilities. The department of public utilities shall take into consideration the department of energy resources' recommendations on the potential costs and benefits to the rate payers, including economic and environmental benefits, and the requirements of chapter 298 of the acts of 2008 and chapter 21N of the General Laws. The department of public utilities shall consider the potential costs and benefits of the proposed long-term contract and shall approve a proposed long-term contract if the department finds that the proposed contract is a cost-effective mechanism for procuring beneficial, reliable renewable energy on a long-term basis, taking into account the factors outlined in this section. A distribution company shall be entitled to cost recovery of payments made under a long-term contract approved under this section."

SECTION 16. Notwithstanding any general or special law to the contrary by inserting after section _ the following new section:- The department of energy resources shall make

recommendations to the general court on a successor program to the commonwealth's solar incentive program established in section 11 of chapter 75 of the acts of 2016. In developing recommendations, the department shall consider: (i) the benefits provided by distributed generation facilities including, but not limited to: (A) avoided energy purchases; (B) avoided capacity purchases; (C) avoided transmission and distribution costs; (D) avoided line losses; (E) avoided environmental compliance costs; (F) avoided damages from greenhouse gas emissions; (G) enhanced reliability; (H) equity and environmental justice benefits; and (I) any other benefits as may be determined by the department; (ii) time differentiated rates and alternative rates that encourage equity and alignment with the commonwealth's energy, climate and natural resources programs and policies; and (iii) the siting of clean energy projects in underserved communities and within the built environment on developed or degraded land. The department shall file the report with the clerks of the senate and house of representatives and the joint committee on telecommunications, utilities and energy not later than December 31, 2022.

SECTION 17. Notwithstanding any general or special law to the contrary there shall be established a Commercial Fisheries Commission, the purpose of which shall be to develop and recommend strategies, methods, and tools to promote the sustainability of the Commonwealth's commercial fishing industry, including but not limited to harvesting, processing and production, and sales and distribution. The commission shall address subjects including the responsible development of offshore energy projects, mitigation and support strategies to ensure the long term sustainability of Massachusetts Fisheries, the creation of a comprehensive infrastructure to enable effective dialogue between fishing industry stakeholders and those involved in the development of marine-based energy generation and transmission projects, including but not limited to the offshore generation and transmission. The commission shall consist of 15

members, whom shall be as follows:- the secretary of energy and environmental affair or their designee; the director of the division of marine fisheries who shall serve as chair; 12 members appointed by the Governor, 1 member from the Massachusetts Seafood Collaborative from a list of 3 nominees submitted by their board of directors, 1 member from the Massachusetts Fishing Partnership from a list of 3 nominees submitted by their board of directors, 1 member from the Stellwagen Bank Charter Boat Association from a list of 3 nominees submitted by their board of directors, 1 member from the Responsible Offshore Development Alliance from a list of 3 nominees submitted by their board of directors, 1 member from the Fisheries Survival Fund from a list of 3 nominees submitted by their board of directors, 1 member from the Northeast Seafood Coalition from a list of 3 nominees submitted by their board of directors; 1 member from the Gloucester Fishermen's Wives from a list of 3 nominees submitted by their board of directors, 1 member from the Massachusetts Lobstermen's Association from a list of 3 nominees submitted by their board of directors, 1 member from the Gloucester Fishing Community Preservation Fund from a list of 3 nominees submitted by their board of directors, 1 member from the Cape Cod Commercial Fishermen's Alliance from a list of 3 nominees submitted by their board of directors; 1 member from the Gloucester Fisheries Commission from a list of 3 nominees submitted by their board of directors; and 1 member from the Harbor Development Commission, dba New Bedford Port Authority from a list of 3 nominees submitted by commissioners.

The commission shall meet not less than 4 times each year, and shall produce a report annually, which shall be published electronically by the Executive Office of Energy and Environmental Affairs, whom shall provide administrative support for the operations of the commission, and filed with the clerks of the House and Senate. The provisions of this section

shall terminate 5 years following the passage of this act, unless otherwise terminated, modified, or extended.

SECTION 18. (a) Notwithstanding any general or special law to the contrary, the department of energy resources shall, not later than March 1, 2023, competitively solicit and procure proposals for offshore wind energy transmission sufficient to deliver energy generation procured pursuant to subsection (b) of section 83C of chapter 169 of the acts of 2008 from designated wind energy areas for which a federal lease was issued on or after January 1, 2012, that shall be developed independent of such offshore wind energy generation; provided, that offshore wind developers, as defined in section 83B of said chapter 169 shall be permitted to submit proposals pursuant to this section; provided further, that such transmission service shall be made available for use by more than 1 wind energy generation project; and provided further, that the department shall coordinate with the department of public utilities, electric distribution companies, other New England states or entities designated by those states and ISO New England, Inc. or a successor organization, in the solicitation and procurement of proposals for offshore wind energy transmission. The department shall be permitted to select 1 proposal, multiple proposals, or no proposals; provided, however, that the department may satisfy the requirement regarding proposal selection through federal funding in the form of a match, a grant, a loan, or through ownership and operation by the United States government that provides a comparable level of investment as would have otherwise been provided if the department had selected a single proposal or multiple proposals.

(b) In conducting the procurement for offshore wind energy transmission, the department of energy resources shall take into consideration the total amount of transmission needed to achieve the commonwealth's offshore wind and decarbonization goals as well as

506 demonstrable benefits to the consumer and environment and in terms of electric system
507 reliability and avoided upgrade costs to the existing transmission grid. The department shall
508 consider proposals that include, but shall not be limited to, upgrading the existing grid, extending
509 the grid closer to offshore wind locations, determining optimal landfall approaches or
510 interconnecting between offshore substations. If federal grants or other federal funding for
511 transmission and distribution become available, the department may modify a procurement, prior
512 to selecting a proposal, in order to satisfy federal eligibility criteria.

513 (c) Not later than September 31, 2023, the department of energy resources shall
514 submit a report to the clerks of the house of representatives and the senate and the chairs of the
515 joint committee on telecommunications, utilities and energy, that: (1) outlines the design and
516 conduct of the solicitation and procurement process; (2) identifies and recommends any
517 improvements to the solicitation and procurement process; and (3) provides, in the event that the
518 department does not choose a proposal, a comprehensive explanation of their decision, including
519 the extent to which the department's consideration of factors in subsection (b) played a role in
520 said decision

521 SECTION 19. The department of energy resources, acting independently, in concert with
522 the New England Energy Vision, or a combination thereof, shall conduct a comprehensive
523 investigation, study, and analysis of the electric grid serving the commonwealth, for purposes
524 including but not limited to making recommendations for statutory and regulatory changes and
525 targeting investment so as to ensure the suitability of the grid to accommodate increased loads
526 projected to result from the transition of vehicles from those powered by fossil fuels to those
527 powered by electricity, from increased utilization of electricity for heating, ventilation and air
528 conditioning , and other factors, and to accept and transmit, deliver, and distribute in a resilient

and efficient manner electricity from storage and renewable sources such as solar, wind, and hydroelectric generation. In carrying out the provisions of this section, the department shall give full consideration to factors including but not limited to consumer costs, the availability and geographic location of sources of electricity that are currently present and reliably projected to be available in the future, projected electric demand consistent with the commonwealth's 5 year energy plan, geographic equity, socio-economic equity and environmental justice.

The department shall carry out the provisions of this section in consultation with other relevant state agencies, including but not limited to the department of public utilities, the clean energy center, the executive office of transportation, the executive office of housing and economic development, the executive office of energy and environmental affairs, and the Independent System Operator for New England. (ISO New England) and may contract for the services of one or more entities with relevant and necessary experience and expertise in fulfilling its obligations contained herein, provided further that the department shall conduct stakeholder meetings as necessary and not less than three public hearings in geographically diverse regions of the commonwealth pursuant to this section.

Specific elements of focus by the department shall include but not be limited to the following:

1. Components of the current electric grid that are vulnerable to disruption due to climate change, weather events such as storms and flooding, and terrorist or other subversive actions, and necessary steps to reduce or eliminate such vulnerability.

2. Current and projected future supplies of electricity originating from renewable sources, including but not limited to storage, wind, solar, hydroelectric and

hydrogen - based mechanisms, the capacity of the grid to receive, transmit and distribute them., and any necessary changes, improvements, or modifications necessary to ensure the capacity to accommodate such supplies.

3. Current load demands and those projected to reliably result from a transition from vehicles and equipment consuming fossil fuels to those powered by electricity, the ability of the grid to accommodate such loads, and any necessary changes, modifications, or improvements necessary to respond to such demands.

4. Requirements for the grid to facilitate the necessary import of electricity supplies from sources outside the commonwealth to meet the requirements of load demand and the Global Warming Solutions Act as established by chapter 169 of the acts of 2008, including but not limited to those produced by nuclear, hydroelectric, solar, and land and marine based wind generation, and physical, regulatory, statutory and other barriers, and steps to address those barriers.

5. Estimated costs attributable to the actions identified in items 1, 2, 3, and 4 above, and mechanisms to fund such actions.

6. Obstacles to the interconnection to the grid of storage and renewable generation facilities in the commonwealth in a timely, efficient and effective manner, including but not limited to delays in timing and unduly burdensome costs for predicate activities for interconnection approvals such as studies and permitting, and remedial actions to address such obstacles, including but not limited to statutory and regulatory changes, and funding to expedite such interconnections.

The department shall produce one or more reports detailing its findings, the results of its analysis, investigation and study, together with recommendations and cost estimates and the means to address such costs, beginning not later than twelve months following the passage of this act, provided that all such reports shall be filed not later than 36 months following the passage of this act, provided further that the costs associated with this section shall be borne by funds dispersed from the Electric Grid Capacity, Reliability and Resilience Fund established under section 2RRRRR of chapter 29.

SECTION 20. Notwithstanding any general or special law to the contrary, not later than 14 days after the effective date of this act, the state comptroller shall transfer from the General Fund \$250,000,000 to the Commonwealth Decarbonization and Energy Independence fund section 2PPPPP of chapter 29.

SECTION 21. At the request of the secretary of administration and finance, the comptroller shall transfer up to \$250,000,000 from the federal COVID-19 response fund established in section 2JJJJ of chapter 29 of the General Laws to the Commonwealth Decarbonization and Energy Independence fund established in section 2PPPPP of chapter 29 of the General Laws. Prior to requesting such transfers, the secretary of administration and finance, in consultation with the secretary of energy and environmental affairs, shall assess the cash flow needs of the Commonwealth Decarbonization and Energy Independence fund. The secretary of administration and finance may request transfers on a periodic or ad hoc schedule so long as the cumulative amount of said transfers does not exceed the limit established in this section. The Massachusetts clean energy technology center shall be responsible, in conjunction with the executive office for administration and finance, in assuring that all policies and procedures necessary for the administration of the Commonwealth Decarbonization and Energy

595 Independence Fund comply with 2 CFR Part 200, 31 CFR Part 35, and all other applicable rules
596 and regulations. The secretary of administration and finance shall report to the clerks of the
597 house and senate and the house and senate ways and means committee at least 60 days prior to
598 any transfer authorized under this section.

599 SECTION 22. The secretary of administration and finance shall transfer from the
600 Commonwealth Decarbonization and Energy fund as established under section 2PPPPP of
601 chapter 29 from the funds received under this act in the following manner, (i) not less than 30 per
602 cent to the clean energy investment fund as established under section 15 of chapter 23J, (ii) not
603 less than 30 per cent to the Passenger Vehicle Decarbonization and Charging Station Fund as
604 established under section 19 of chapter 25A, (iii) not less than 30 percent to the Fleet
605 Modernization Fund as established under section 2QQQQQ of chapter 29, and (iv) not more than
606 5 per cent to the Electric Grid Capacity, Reliability and Resilience Fund as established under
607 section 2RRRRR of chapter 29. The secretary of administration and finance shall report to the
608 clerks of the house and senate and the house and senate ways and means committee at least 60
609 days prior to any transfer authorized under this section

610 SECTION 23. Not later than 12 months following the passage of this act, the
611 Massachusetts Bay Transportation Authority shall submit a plan to the Joint Committee on
612 Transportation, the Committees on Ways and Means of the House and Senate, the Joint
613 Committee on Environment, Natural Resources and Agriculture, the Joint Committee on
614 Telecommunications and Energy and the clerks of the House and Senate, to ensure that all buses
615 operated by the authority by 2032 are zero emission vehicles, provided that such plan shall
616 include the estimated costs of achieving that goal, and the sources of funding to meet such costs.