SENATE No.

The Commonwealth of Alassachusetts
PRESENTED BY: Paul R. Feeney
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 fuel standards.

PETITION OF:

NAME:DISTRICT/ADDRESS:Paul R. FeeneyBristol and Norfolk

SENATE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION SEE HOUSE, NO. 3859 OF 2023-2024.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court (2025-2026)

An Act relative to fuel standards.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 Chapter 25A of the General Laws is hereby amended by inserting after section 11F1/2 the
- 2 following section:-
- 3 Section 11F 2/3. (a) As used in this section, the following words shall have the following
- 4 meanings unless the context clearly requires otherwise:
- 5 "Carbon intensity", the quantity of lifecycle greenhouse gas emissions associated with a
- 6 unit of specific transportation fuel expressed in grams of carbon dioxide equivalent per
- 7 megajoule of transportation fuel.
- 8 "Clean fuel", transportation fuel with a carbon intensity level that is below the clean fuels
- 9 carbon intensity standard in a given year.

"Credit", a unit of measurement equal to 1 metric ton of carbon dioxide equivalent that serves as a quantitative measure of the degree to which a fuel provider's transportation fuel volume is lower than the carbon intensity established by the clean fuel standard.

"Credit generator", a transportation fuel provider of a clean fuel for use in the commonwealth which, if the electricity is to be used as a transportation fuel, may include, but shall not be limited to including, automakers, electric charging providers, electric utilities and electric vehicle fleet operators.

"Deficit", a quantitative measure of the degree to which a fuel provider's volume of transportation fuel is greater than the carbon intensity than permissible according to the annual clean fuel standard.

"Full fuels lifecycle", the aggregate of greenhouse gas emissions, including direct emissions and significant indirect emissions including, but not limited to, significant emissions from land use changes as determined by Argonne National Laboratory's Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies model or subsequent prevailing standard.

"Transportation fuel provider", an entity that functions as an importer, blender, refiner, producer or wholesale retailer of transportation fuels or as a retailer of a clean fuel.

(b)(1) The department shall establish a clean fuel standard that: (i) reduces the aggregate carbon intensity of transportation fuels by 80 per cent from 1990 levels by 2050; (ii) establishes a mechanism for the generation and trading of credits at a market-based rate to offset carbon deficits; and (iii) supports clean energy and accessible transportation projects in disadvantaged communities.

(2) The department shall establish an annual schedule to phase in implementation of the clean fuel standard's carbon intensity reduction that considers the: (i) cost of compliance; (ii) technologies available to fuel providers; and (iii) need to maintain fuel quality and availability; provided, however, that the aggregate carbon intensity of a transportation fuel shall be measured on a full fuels lifecycle basis; and provided further, that the full fuels lifecycle shall be assessed annually.

- (c)(1) The clean fuel standard shall establish a mechanism that assigns credits to transportation fuel providers whose fuel or fuels' carbon intensity is below the standards adopted by the department and a market for the trading of credits at a market-based rate. Credits shall be quantified based on the total emissions across the lifecycle of the provider's fuel or fuels and the annual maximum allowable carbon emission intensity for that year; provided, however, that such credits may be applied to future obligations or be traded on a market mechanism established by the department to satisfy or offset compliance obligations of transportation fuel providers incurring a deficit.
- (2) Fuel providers subject to the clean fuel standard shall comply by importing, blending, refining or wholesaling transportation fuels with an average aggregate carbon intensity that is at or below the standard as determined by the department or by purchasing credits to offset any aggregate deficit incurred from transportation fuels exceeding the average carbon intensity standard for that year.
- (d) Public entities serving as credit generators including, but not limited to, utilities and state agencies, shall invest or direct a percentage, as determined by the department, of the entity's overall credit value to support clean energy and accessible transportation projects in

disadvantaged communities beyond existing local, federal and state incentives. The department shall establish criteria for projects and goals in consultation with credit generators, communities, community leaders and environmental justice advocates.

- (e) The clean fuel standard shall not apply to fuels for aviation, railroad locomotives, military vehicles or interstate waterborne vessels to the extent such standards are preempted by federal laws or regulations.
- (f) Transportation fuel providers of clean fuels for aviation, rail locomotives, military vehicles, and interstate waterborne vessels shall be eligible to voluntarily generate credits.
- (g) The department shall promulgate rules, regulations, plans, proposals, procedures and administrative fees as necessary and appropriate to effectuate a clean fuel standard and credit marketplace to ensure compliance with this section and offset the costs of implementation of the clean fuel standard.