

# **JOINT COMMITTEE ON TELECOMMUNICATIONS, UTILITIES, AND ENERGY**

## **BILL SUMMARY**

**BILL NO.** H.3522

**TITLE:** An Act to establish a clean fuel standard

**SPONSOR:** Representative David P. Linsky

**COMMITTEE:** Telecommunications, Utilities, and Energy

**HEARING DATE:** May 14, 2025

**PRIOR HISTORY:** 2023-2024: Filed as H.3859 by Representative Decker; heard by the TUE Committee; favorably redrafted as H.4543 and reported to HWM; no further action taken

### **CURRENT LAW:**

Chapter 25A of the Massachusetts General Laws pertains to the Department of Energy Resources.

### **SUMMARY:**

This legislation directs DOER to establish a clean fuel standard that requires the aggregate carbon intensity of transportation fuel providers be reduced by 80 percent from 1990 levels by 2050. This clean fuel standard does not apply to fuels for aviation, railroad locomotives, military vehicles, or interstate waterborne vehicles to the extent that such standards are preempted by federal laws or regulations – however, providers of clean transportation fuels for such modes of travel are eligible to voluntarily generate credits under this state clean fuel standard.

As part of this clean fuel standard, DOER is to establish a mechanism for the generation and trading of credits at a market-based rate to offset carbon deficits, as well as establish a market to facilitate the trading of such credits. This mechanism will assign credits to transportation fuel providers whose fuel or fuels' carbon intensity is below the standards adopted by DOER. Credits shall be quantified based on the total emissions across the lifecycle of the provider's fuel and the annual maximum allowable carbon emission intensity for that year. They may be applied to future obligations or traded at a market-based rate.

DOER must also create an annual schedule to phase in implementation of the clean fuel standard's carbon intensity reduction.

Fuel providers subject to the clean fuel standard will comply by importing, blending, refining, or wholesaling transportation fuels with an aggregate carbon intensity that is at or below the standard determined by DOER, or by purchasing credits to offset any deficits incurred.

This legislation requires that public entities serving as credit generators (i.e. utilities and state agencies) invest or direct a percentage of their overall credit value to support clean energy and accessible transportation projects in disadvantaged communities throughout the Commonwealth, beyond what is

available via existing local, state and federal incentives. Project criteria will be established by DOER, in consultation with credit generators, community leaders, and environmental justice advocates.