

JOINT COMMITTEE ON TELECOMMUNICATIONS, UTILITIES, AND ENERGY

BILL SUMMARY

BILL NO. H.3554

TITLE: An Act achieving a green future with infrastructure and workforce investment

SPONSOR: Representative David M. Rogers

COMMITTEE: Telecommunications, Utilities, and Energy

HEARING DATE: October 16, 2025

PRIOR HISTORY: 2023-2024: H.3693; accompanied a study order, H.4778

CURRENT LAW:

Chapter 25A of Massachusetts General Law pertains to the Green Communities Act.

SUMMARY:

Green Infrastructure Fund

This bill creates the Green Infrastructure Fund (GIF), which shall be administered by the Secretary of the Executive Office of Energy and Environmental Affairs. The secretary shall deposit into the fund all proceeds collected through any market-based mechanism that remain after initial distribution to the household green dividend fund, the green workforce development and training fund, and the MA local climate crisis trust fund. The GIF shall support investments that reduce GHG emissions, including but not limited to investments in public transit, low carbon buses and trucks, electric vehicles, electric vehicle charging infrastructure, and other modes of clean transportation; transit oriented affordable housing; expansion of in-state renewable energy, battery storage, and community microgrids; energy efficiency, electrification, and renewable energy investments in housing, municipal infrastructure and public school buildings; (v) technology research, development, and commercialization program; and (vi) clean energy and climate change investments in rural communities. Other eligible projects may include those currently established and administered by a state agency, including but not limited to (i) the Mass Save program; (ii) grid-level power storage through the Massachusetts clean energy center's advancing commonwealth energy storage program; (iii) battery storage through department of public utilities battery rebate program; (iv) support for the development of offshore wind workforces, local supply chains, adequate port infrastructure and advanced research and innovation; and (v) continued marketing development aimed at technology commercialization for building decarbonization.

A Green Infrastructure Fund Board shall be created and consist of 18 members. The Secretary shall be a member and chair of the board, with 14 other members chosen by the governor, representing: (i) the department of transportation; (ii) the department of environmental protection; (iii) the department of energy resources; (iv) the department of housing and community development; (v) the Massachusetts clean energy center; (vi) the environmental justice council; (vii) organized labor; (viii) large commercial/industrial business; (ix) small business community; (x) low income residents; (xi) clean energy industry; (xii) youth, with the member being 25 years of age or younger; and (xiii) two separate representatives from regional planning associations representing different regions of the state.

Additionally, the board shall consist of one member of the public chosen by the Speaker of the House, one chosen by the Senate President, and one chosen by the state treasurer.

The secretary, in consultation with the board, shall create a 3 year plan for the expenditure of GIF funds. The secretary shall also submit an annual report to the legislature on the status of projects funded by the fund and their outcomes. No more than 3.5% of GIF proceeds shall be used to cover the fund's administrative costs.

Additionally, beginning in 2024 and subsequently every 3 years thereafter, the secretary shall submit to the legislature a report that includes: (i) measurable criteria that administering entities of monies disbursed from the Green Infrastructure Fund must report for some or all of a project to be considered directly located within, and providing direct and meaningful benefits to, environmental justice populations; (ii) procedures for administering entities of the monies disbursed from the Green Infrastructure Fund to follow in order to determine what portion of a project's expenditures are directly located within, and providing direct and meaningful benefits to, environmental justice populations; and (iii) other requisite procedures for administering entities of the monies disbursed from the Green Infrastructure Fund to follow in order to adhere to environmental justice principles.

Local Climate Crisis Investments Act (LCCIA)

This bill also creates the Local Climate Crisis Investments Act. This would allow cities and towns to establish a local climate crisis council (through ordinance or by-law), which shall consist of at least five and no more than 11 members. Multiple adjacent cities or towns may designate themselves a jurisdiction for the purposes of this the LCCIA, and such a jurisdiction shall designate one regional climate crisis council to represent the cities or towns within said region and shall combine their funds into one Local Climate Crisis Fund. Said fund shall be administered by the EEA Secretary in the same manner as the GIF. A city or town that designates itself an LCCIA jurisdiction shall establish a separate account to be known as the Local Climate Crisis Fund, of which the municipal treasurer shall be the custodian. The town's legislative body shall approve expenditures from the fund and the municipal treasurer shall pay such expenses. Unused funds shall remain in said fund.

The following money shall be deposited into the fund: (i) all funds received from the commonwealth or any other source for such purposes; and (ii) additional funds appropriated or dedicated from allowable municipal sources. Additionally, there shall be established a Massachusetts Local Climate Crisis Trust Fund (MA LCCTF) for the benefit of cities and towns that become an LCCIA jurisdiction. The EEA Secretary shall deposit into the fund 30% of proceeds collected by above mentioned market-based mechanisms, as well as any other sources. The secretary shall annually on or before November 15th disburse money from the MA LCCTF to jurisdictions. The secretary shall distribute 60% of the fund in a first round called the standard distribution. The secretary shall then further divide the remaining 40% of the fund in a second round distribution called the environmental justice distribution.

Green Workforce Commission

This bill also creates the Green Workforce Commission. Requires the establishment of a Next Generation Green Workforce Fund. The EEA secretary shall deposit more or equal to 1%, but less than 3% of proceeds collected through the above-mentioned market-based mechanisms, into said fund. The Commission shall consist of 9 members: 2 members who shall be chosen by the governor, including at least one member representing an environmental justice population, 1 member of the public chosen by the speaker of the house of representatives, and 1 member of the public chosen by the president of the state senate. Further, 5 members shall be appointed by the president of the Massachusetts AFL-CIO, including 4 who meet the following criteria: 1 of whom shall have expertise in the building and construction trades; 1 of whom shall have expertise in the utility sector; 1 of whom shall represent workers in sectors that may be displaced through advancements in green technologies and emissions reduction; and 1 of whom shall

represent workers in the public or private services sector. A representative from the Massachusetts clean energy center and any other relevant agency may serve as a non-voting advisory member of the commission. Members shall make all decisions regarding use and maintenance of the Next Generation Green Workforce Fund. The Fund's main goal will be to ensure that displaced workers have access to training and employment opportunities in green technology and next generation utilities or related fields.

Household Green Dividend Fund

This bill also creates the Household Green Dividend Fund. The EEA Secretary shall deposit into said fund no more than 50% of the total revenue collected by the above-mentioned market-based mechanisms. Revenue Commissioner shall disburse Household Green Dividend Fund proceeds directly to households in the following manner: (i) on an annual basis, no less than 95 per cent of quintile 1 households shall receive payments greater than their expected increase in energy-related costs from market-based mechanisms; (ii) on an annual basis, quintile 2 households shall, on average, receive payments equal to or greater than the expected increase in energy-related costs from market-based mechanisms; and (iii) on an annual basis, quintile 1 households and quintile 2 households shall receive sufficient payments so as to mitigate, or avoid altogether, any disproportionate and unreasonable financial burden that would otherwise be imposed by market-based mechanisms. Payments distributed from this fund shall not count as income for the purpose of state tax liability or determining eligibility for state programs with income limitations.

Market-based compliance mechanism

This bill also requires the EEA Secretary to establish market-based compliance mechanisms for the (i) electricity sector, (ii) transportation sector, (iii) residential, commercial, and institutional heating sectors, and (iv) industrial sector. EEA may work with participating RGGI states and other interested states and Canadian provinces to develop a plan to expand market-based compliance mechanisms such as RGGI to other sources and sectors.

Green Investment & Infrastructure Bonding Program

To meet the immediate expenditures necessary to carry out this Act, the state treasurer, upon the request of the governor, may issue and sell bonds of the commonwealth not exceeding in the aggregate of \$500 million within a given fiscal year. To meet additional expenditures necessary to carry out this Act, the treasurer may sell bonds not exceeding another aggregate \$500 million in a given fiscal year, if requested to do so by the governor or if such a measure is authorized by the Legislature (each branch would need to vote on it).