

SENATE No. 2133

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 expand carbon pricing in the commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>	
<i>Joanne M. Comerford</i>	<i>Hampshire, Franklin and Worcester</i>	<i>2/22/2021</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>2/22/2021</i>
<i>Diana DiZoglio</i>	<i>First Essex</i>	<i>2/23/2021</i>
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>	<i>2/23/2021</i>
<i>Maria Duaine Robinson</i>	<i>6th Middlesex</i>	<i>2/23/2021</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Bristol and Middlesex</i>	<i>2/23/2021</i>
<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>	<i>2/25/2021</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>	<i>2/25/2021</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>2/26/2021</i>
<i>James Arciero</i>	<i>2nd Middlesex</i>	<i>2/26/2021</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>	<i>2/26/2021</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>2/26/2021</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>3/1/2021</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>	<i>3/1/2021</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>	<i>3/3/2021</i>
<i>Brendan P. Crighton</i>	<i>Third Essex</i>	<i>3/6/2021</i>
<i>Danillo A. Sena</i>	<i>37th Middlesex</i>	<i>3/8/2021</i>

<i>Susannah M. Whipps</i>	<i>2nd Franklin</i>	<i>3/30/2021</i>
<i>Russell E. Holmes</i>	<i>6th Suffolk</i>	<i>3/30/2021</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>	<i>3/31/2021</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>	<i>4/8/2021</i>
<i>Adam G. Hinds</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>	<i>4/20/2021</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>	<i>5/26/2021</i>

SENATE No. 2133

By Mr. Barrett, a petition (accompanied by bill, Senate, No. 2133) of Michael J. Barrett, Joanne M. Comerford, Lindsay N. Sabadosa, Diana DiZoglio and other members of the General Court for legislation to expand carbon pricing in the commonwealth. Telecommunications, Utilities and Energy.

The Commonwealth of Massachusetts

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

An Act to expand carbon pricing in the commonwealth.

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

1 SECTION 1. Not later than January 1, 2023, the secretary shall, pursuant to section 7 of
2 chapter 21N of the General Laws, adopt market-based compliance mechanisms for the
3 transportation sector, which mechanisms shall further the achievement of the statewide
4 greenhouse gas emissions limits and sublimits adopted pursuant to Chapter 21N of the General
5 Laws related to transportation.

6 SECTION 2. Not later than January 1, 2024, the secretary shall, pursuant to section 7 of
7 chapter 21N of the General Laws, adopt market-based compliance mechanisms for the heating
8 and cooling of commercial, institutional, and industrial buildings, which mechanisms shall
9 further the achievement of the statewide greenhouse gas emissions limits and sublimits adopted
10 pursuant to Chapter 21N of the General Laws related to commercial and industrial heating and
11 cooling.

12 SECTION 3. Not later than January 1, 2025, the secretary shall, pursuant to section 7 of
13 chapter 21N of the General Laws, adopt market-based compliance mechanisms for industrial
14 processes, which mechanisms shall further the achievement of the statewide greenhouse gas
15 emissions limits and sublimits adopted pursuant to Chapter 21N of the General Laws related to
16 industrial processes.

17 SECTION 4. Not later than January 1, 2028, the secretary shall, pursuant to section 7 of
18 chapter 21N of the General Laws, adopt market-based compliance mechanisms for residential
19 heating and cooling, which mechanisms shall further the achievement of the statewide
20 greenhouse gas emissions limits and sublimits adopted pursuant to Chapter 21N of the General
21 Laws related to residential heating and cooling.

22 SECTION 5. Market-based compliance mechanisms adopted pursuant to this act shall be
23 designed to: (i) maximize the ability of the commonwealth to achieve the statewide greenhouse
24 gas emissions limits and sublimits established pursuant to chapter 21N of the General Laws;
25 provided, that any charges, exactions, allowances, or permits shall be set, imposed, allocated,
26 auctioned, sold or authorized so as to maximize the likelihood that, beginning in the first year of
27 implementation, said charges, exactions, allowances or permits shall result in a cost of emissions
28 per metric ton of carbon dioxide equivalent of not less than 15 dollars; provided, further, that
29 said charges, exactions, allowances, or permits shall be set, imposed, allocated, auctioned, sold
30 or authorized so as to maximize the likelihood that the cost of emissions per metric ton of carbon
31 dioxide equivalent will increase by five dollars each year, up to a ceiling of 60 dollars per metric
32 ton of carbon dioxide equivalent; (ii) ensure that the commonwealth achieves said limits and
33 sublimits equitably and in a manner that protects and, where feasible, improves, the condition of
34 low-income and moderate-income persons and environmental justice populations; (iii) prevent

35 increases in emissions of toxic air contaminants and criteria air pollutants, including, but not
36 limited to, emissions of nitrous oxide, sulfur dioxide and mercury; (iv) identify manufacturing
37 sectors, economic sectors, economic subsectors or individual employers at risk of significant
38 adverse impacts due to emissions limits and sublimits, and mitigate such impacts; (v) take into
39 account and address the distinctive vulnerabilities of rural, suburban and urban communities and
40 environmental justice populations; and (vi) maximize environmental and economic benefit to the
41 commonwealth.

42 SECTION 6. Proceeds realized by the adoption of market-based compliance mechanisms
43 related to transportation shall be treated or disbursed in any proportion as follows: (i) as rebates
44 or refunds to residents and employers of the commonwealth in proportion to the monies
45 collected, respectively, from residents and employers; and (ii) as monies credited to the
46 Commonwealth Transportation Fund established under section 2ZZZ of chapter 29, provided
47 that such monies shall be used to further the achievement of the limits and sublimits adopted
48 pursuant to Chapter 21N of the General Laws related to transportation; provided further, that the
49 secretary may allocate a reasonable amount of proceeds to reimburse the commonwealth for any
50 direct costs incurred in the administration of activities authorized by this section; and provided,
51 further, that there shall also be credited to the fund any appropriations made by the legislature
52 and any investment income earned on assets of the fund. Amounts remaining in the fund at the
53 end of the fiscal year shall not revert to the General Fund and shall be available for expenditure
54 in succeeding fiscal years.

55 SECTION 7. Proceeds realized by the adoption of market-based compliance mechanisms
56 established pursuant to sections 2, 3, and 4 of this act shall be treated or disbursed in any
57 proportion as follows: (i) as rebates or refunds to residents and employers of the commonwealth

58 in proportion to the monies collected, respectively, from residents and employers; and (ii) as
59 monies credited to the trust funds established in sections 2MMMMM, 2NNNNN, and 2OOOOO
60 of chapter 29 of the General Laws, as amended by this act, which monies shall be expended
61 pursuant to said sections; provided, that the secretary may allocate a reasonable amount of
62 proceeds to reimburse the commonwealth for any direct costs incurred in the administration of
63 activities authorized by this section.

64 SECTION 8. Annually, the secretary of administration and finance, in consultation with
65 the secretary of energy and environmental affairs, shall file a report with the chairs of the senate
66 committee on ways and means, the house committee on ways and means, and the joint
67 committee on telecommunications, utilities and energy. The report shall contain, but not be
68 limited to, an analysis of the effectiveness of the market-based compliance mechanisms
69 established pursuant to this act or maintained in connection with the initiatives known as the
70 regional greenhouse gas initiative and the transportation and climate initiative. Said analysis
71 shall include calculations of the contributions of each compliance mechanism, expressed in tons
72 of carbon dioxide equivalent, to meeting the statewide greenhouse gas emissions limits and
73 sublimits established pursuant to chapter 21N of the General Laws.

74 SECTION 9. Chapter 29 of the General Laws, as so appearing, is hereby amended by
75 adding the following 3 sections:-

76 Section 2MMMMM. There shall be established and set up on the books of the
77 commonwealth a separate fund, to be known as the Green Commercial Building Fund, to be
78 operated by the Massachusetts Clean Energy Center. Monies generated by the adoption of
79 market-based compliance mechanisms related to commercial and industrial heating and cooling

80 shall be distributed to said Fund and used to further the achievement of the limits and sublimits
81 adopted pursuant to Chapter 21N of the General Laws related to commercial and industrial
82 heating and cooling. There shall also be credited to the fund any appropriations made by the
83 legislature and any investment income earned on assets of the fund. Amounts remaining in the
84 fund at the end of the fiscal year shall not revert to the General Fund and shall be available for
85 expenditure in succeeding fiscal years.

86 Section 2NNNNN. There shall be established and set up on the books of the
87 commonwealth a separate fund, to be known as the Green Industrial and Manufacturing Fund, to
88 be operated by the Massachusetts Clean Energy Center. Monies generated by the adoption of
89 market-based compliance mechanisms related to industrial processes shall be distributed to said
90 Fund and used to further the achievement of the limits and sublimits adopted pursuant to Chapter
91 21N of the General Laws related to industrial processes. There shall also be credited to the fund
92 any appropriations made by the legislature and any investment income earned on assets of the
93 fund. Amounts remaining in the fund at the end of the fiscal year shall not revert to the General
94 Fund and shall be available for expenditure in succeeding fiscal years.

95 Section 2OOOOO. There shall be established and set up on the books of the
96 commonwealth a separate fund, to be known as the Green Residential Building Fund, to be
97 operated by the Massachusetts Clean Energy Center. Monies generated by the adoption of
98 market-based compliance mechanisms related to residential buildings shall be distributed to said
99 Fund and used to further the achievement of the limits and sublimits adopted pursuant to Chapter
100 21N of the General Laws related to residential heating and cooling. There shall also be credited
101 to the fund any appropriations made by the legislature and any investment income earned on

102 assets of the fund. Amounts remaining in the fund at the end of the fiscal year shall not revert to
103 the General Fund and shall be available for expenditure in succeeding fiscal years.