

An Act to Promote Green Infrastructure, Reduce Greenhouse Gas Emissions, and Create Jobs

H. 1726

Need for infrastructure investment

Massachusetts' infrastructure needs investment. Climate change poses new threats to roads, storm water and waste water systems and coastal communities. Aging buildings need upgrades to reduce energy costs, particularly in the parts of the Commonwealth least able to pay for efficiency improvements. And our transportation system requires billions of dollars for improvements and repairs. House Bill 1726 would raise \$200-\$300 million a year for a Green Infrastructure Fund (GIF) to help municipalities invest in transportation, resiliency, and clean energy projects that reduce emissions and create local economic development.

Green Infrastructure Fund (GIF):

The new Green Infrastructure Fund would be administered through the publicly-funded Massachusetts Clean Energy Center. The funds raised would be available to municipalities for transportation, resiliency, and clean energy projects that would reduce carbon pollution, protect communities from climate change impacts, and produce energy savings. Evaluation criteria would be determined by a GIF Board, with public input. Communities with median incomes in the bottom third of the state average would receive at least 1/3 of the investments.

*Rep. Jen Benson
(D-37th Middlesex)*



Funding

Funding would be raised through fees on carbon pollution from fossil fuels. The carbon pollution charge would start at \$20 per ton of carbon dioxide emissions, then would increase \$5 a year until it reached \$40 per ton. 20% of total funding would support the GIF.

Household and employer rebates

80% of the funds would be rebated to households and employers, with separate dedicated funds established for each group, to offset most of the cost increases on fuels.

Protecting low and moderate income households and rural communities

The bill takes cost impacts into account and provides higher rebates for low- to middle-income households, rural residents that tend to drive more and recipients of fuel assistance.

Employer protections

Employers would receive rebates based on the number of their employees. Most business sectors would come out about even, with gains or losses less than 0.1% of their overall operating costs. Business sectors that face strong competitive pressures from companies outside the state would receive higher rebates.

Electricity sector exempt

The Regional Greenhouse Gas Initiative (RGGI), a cap-and-trade carbon pricing system, already covers the electric sector.

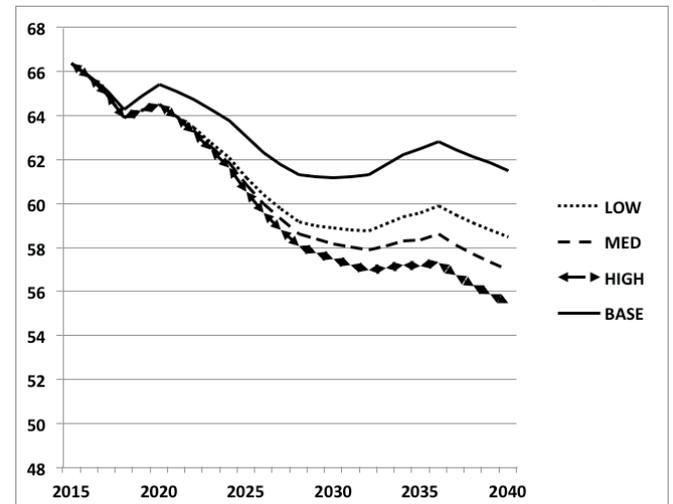
The threat from climate change

Climate change is the greatest environmental threat facing the planet. We are already experiencing rising sea levels, more severe droughts and floods, higher temperatures, and more intense storms.

Incentives to cut climate pollution

Massachusetts state law requires that we cut greenhouse gas emissions to 25% below the 1990 level by 2020 and to at least 80% below 1990 by 2050. This will require a dramatic shift from fossil fuels to clean energy such as solar and wind. Putting a price on carbon pollution will level the playing field for cleaner energy solutions, encourage energy use reductions, and help us meet our legal mandates.

Impact of pollution pricing on cutting carbon dioxide emissions, with different levels of pollution charges



Carbon Dioxide Emissions, million metric tons, with no CO₂ charge (base case) and different levels of CO₂ charge (from Regional Economic Models, Inc. study, 2014)

Methane leaks

The bill also directs the Department of Energy Resources to study the feasibility of charging a pollution fee on methane leaks (a powerful greenhouse gas) from the natural gas distribution system.

Support for carbon pricing

There is worldwide agreement among experts that putting a price on pollution to reflect the harmful impacts of climate change is the most cost-effective way to achieve the deep cuts in emissions that are necessary to protect our climate. The effective RGGI program among nine northeastern states, including Massachusetts, has contributed to a 50% cut in power sector carbon pollution. California, several Canadian provinces, and much of Europe already have broad-based carbon pollution fees, while China has begun to implement such charges.