

H. 2810 AN ACT TO PROMOTE GREEN INFRASTRUCTURE AND REDUCE CARBON EMISSIONS

REPRESENTATIVE JENNIFER BENSON (D – 37TH MIDDLESEX)



KEY TAKEAWAYS

- PUTS** a simple price on carbon pollution.
- INVESTS** 30% of all revenue (\$400–600 million per year) in local clean transportation, resiliency, and renewable energy projects.
- PROTECTS** low and middle-income households, rural residents, and export-driven manufacturers.

INCENTIVES TO CUT CLIMATE POLLUTION

The Global Warming Solutions Act of 2008 requires Massachusetts to cut greenhouse gas emissions by 25% by 2020, and 80% by 2050. Achieving these reductions 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 clean energy solutions, encourage conservation, and help the state meet its legal requirement to reduce emissions.

NEED FOR INFRASTRUCTURE INVESTMENT

Massachusetts' infrastructure needs investment. Climate change poses new threats to roads, stormwater and wastewater management 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.

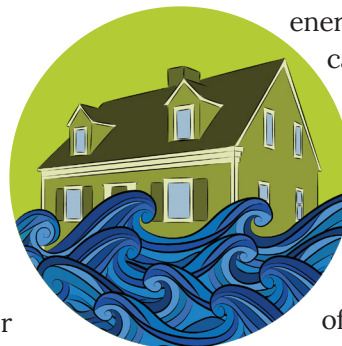
Our transportation system also requires billions of dollars for improvements and repairs. House Bill 2810 will raise \$400–\$600 million a year for a



Green Infrastructure Fund (GIF) that could provide funding for all these needed investments.

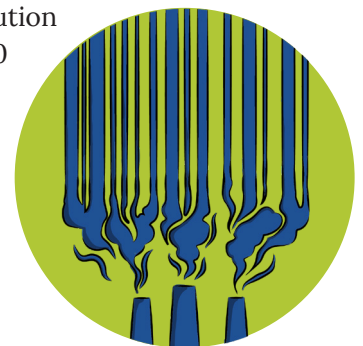
GREEN INFRASTRUCTURE FUND (GIF)

The new Green Infrastructure Fund will be administered through the publicly-funded Massachusetts Clean Energy Center, with funds available to state agencies and municipalities for clean transportation, resiliency, and renewable energy projects that reduce carbon pollution, protect communities from climate change impacts, and produce energy savings. Evaluation criteria will be determined by a GIF Board, consisting of public officials and community representatives. A least 40% of funds must be used for projects that benefit low-income households and communities.



FUNDING

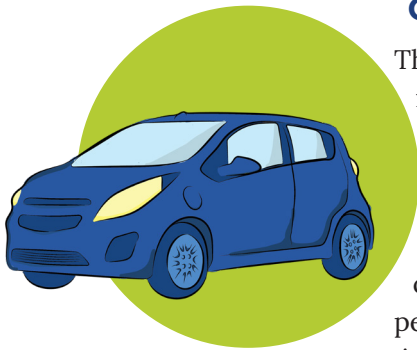
Massachusetts will establish a fee based on each ton of carbon dioxide emission produced by fossil fuels. The carbon pollution charge will start at \$20 per ton of carbon dioxide emissions, then will increase \$5 a year until it reaches \$40 per ton. The price will increase an additional \$5 per ton for each year the state falls behind mandated emissions reductions. 30% of total funding will support the GIF.



HOUSEHOLD AND EMPLOYER REBATES

Households and employers will be rebated 70% of all funds, with separate dedicated funds established for each group, to offset most of the cost of increases on fuels. The data clearly shows that on average, due to usage patterns, low to middle-income households will come out ahead: they will get back more in rebates than they pay in any cost increases.

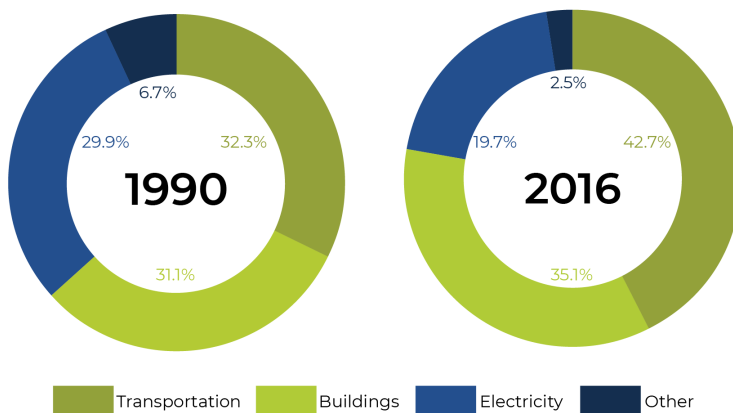
PROTECTING LOW AND MODERATE INCOME HOUSEHOLDS AND RURAL COMMUNITIES



The bill accounts for cost impacts and provides higher rebates for low to middle-income households, and for less populated communities where people drive more, and provides additional money for recipients of fuel assistance.

EMPLOYER PROTECTIONS

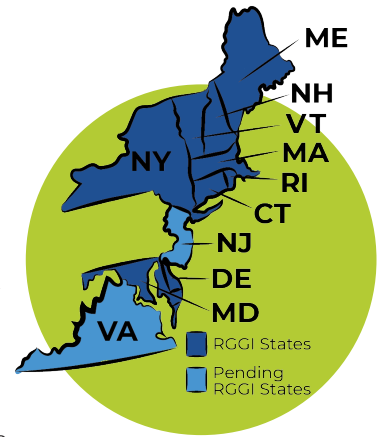
Most businesses' operating costs are not significantly impacted by the carbon fee, but business sectors that face strong competitive pressures from companies outside the state receive higher rebates. Funds available after most-impacted companies are assisted will be rebated to all other employers based on the number of employees.



Since 1990 emissions from the electric sector have dropped relative to the transportation and building sectors, while transportation and buildings have grown to account for more than 77% of emissions.

ELECTRICITY SECTOR EXEMPT

The Regional Greenhouse Gas Initiative (RGGI), a cap-and-trade carbon pricing system, already covers the electricity sector, so it will not be subject to the carbon fee under this bill.



METHANE LEAKS

The bill also directs the state to assess a carbon fee on methane leaks (a powerful greenhouse gas) from the natural gas distribution system.

EFFECTIVENESS OF 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 RGGI program among nine Northeastern states, 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. When China begins to implement such charges, about one fifth of global greenhouse gases will be covered by a form of carbon pricing.

FOR MORE INFORMATION ON CARBON PRICING, VISIT OUR WEBSITE: MASSCLEANENERGYFUTURE.ORG