

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

House Docket 1504

Rep. Jen Benson  
(D-37th Middlesex)



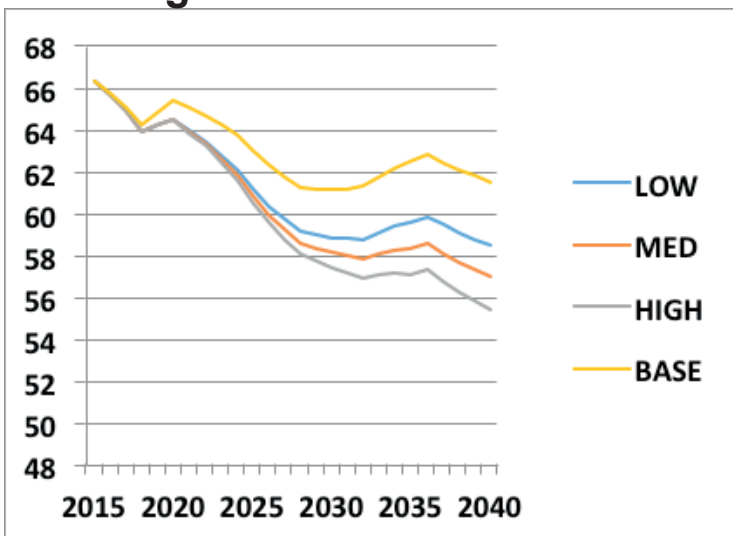
### Meet Massachusetts' greenhouse gas mandates

This bill would help implement the Global Warming Solutions Act of 2008, which requires that the state's emissions of greenhouse gas pollution be reduced 25% by 2020 and 80% by 2050.

### Incentives aligned

HD.1504 would use fees on fossil fuels to encourage both energy suppliers and consumers to reduce their reliance on these fuels, moving to local energy efficiency and clean energy sources instead.

### Impact of pollution pricing on cutting carbon dioxide emissions



Carbon Dioxide Emissions, million metric tons, with no CO<sub>2</sub> charge (base case) and different levels of CO<sub>2</sub> charge (from Regional Economic Models, Inc. study, 2014)

### Green investment

20% of the funds would go to a Green Infrastructure Fund (GIF), to be used for investments in transportation, resiliency, and clean energy projects that reduce emissions, prepare for climate change impacts, and create local economic development.

### Worldwide support for carbon pricing

There is worldwide agreement among experts that such a "carbon price" is the most cost-effective way to achieve the deep cuts in pollution that are necessary to protect our climate. Nine northeast states, including Massachusetts, already impose such a fee, but only on emissions from power plants. California, several Canadian provinces, and much of Europe already have broad-based carbon pollution fees, while China is beginning to implement such charges.

### Separate funds for households and employers

After 20% goes to the GIF, the remaining revenue would be divided into two separate funds, deriving from the fees paid on energy sales to households and to employers, with rebates going back to each group from the separate funds.

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*House Docket 1504, sponsored by Rep. Jen Benson*

### **Fee rates**

The carbon pollution fee would start at \$20 per ton of carbon dioxide emissions, then rise \$5 a year until it reaches \$40.

### **Low- and moderate-income households, and rural households, are protected**

1) From the household funds, initially 10% goes to the bottom fifth of households based on income, 10% to the second fifth, and 5% to the third (middle) fifth.

2) Residents of rural households get a 30% larger rebate from the portion of household funds that come from sales of vehicle fuel.

3) 10% of the money that derives from sales of heating fuels to households goes into the state's fuel assistance program for low-income households.

4) From the money left after (1) through (3) are done, each adult in Massachusetts gets the same rebate and each minor gets half of the adult rebate.

5) From the 20% going to the Green Infrastructure Fund, communities whose median incomes are in the bottom third of those in the state must get at least one-third of the money.

### **Employers are protected**

The bill rebates funds to employers based on their number of employees, ensuring that most business sectors will come out ahead or about even. Business sectors that face strong competitive pressures from companies outside the state would receive higher rebates.

### **Electricity sector exempt**

Since the Regional Greenhouse Gas Initiative (RGGI) already covers that sector.

### **Timing of rebates**

Rebates will be given out early enough to be available when households have to pay their fuel bills.

### **Methane leaks**

Within nine months of the law coming into effect, the DOER must issue a study on the feasibility of imposing pollution fees on leakage of methane (a powerful greenhouse gas) from the natural gas distribution system.

**Call your legislators today and ask them to co-sponsor HD1504.**