

**HOUSE . . . . . No. 3320**

By Mr. Keenan of Salem, petition of John D. Keenan and others for legislation to regulate carbon dioxide emissions from coal and oil fired electric generation power plants. Telecommunications, Utilities and Energy.

**The Commonwealth of Massachusetts**

PETITION OF:

John D. Keenan                      Jarrett T. Barrios  
Patricia A. Haddad                William Lantigua

In the Year Two Thousand and Seven.

AN ACT REGARDING ELECTRIC GENERATING STATIONS.

1     *WHEREAS*, the Commonwealth of Massachusetts was the first  
2 state in the region to enact regulations, at 310 CMR 7.29, which  
3 limit both the absolute carbon dioxide emissions to historic levels  
4 and limit the rate of carbon dioxide emissions from existing coal  
5 and oil fired power plants;  
6     *WHEREAS*, the Commonwealth of Massachusetts recognizes  
7 that implementation of the existing 310 CMR 7.29 will achieve  
8 greenhouse gas reductions at the existing affected facilities of  
9 approximately 10%, which is ten years earlier than implementa-  
10 tion of the Regional Greenhouse Gas Initiative (RGGI);  
11     *WHEREAS*, the Commonwealth of Massachusetts; acknowl-  
12 edges that currently there are no commercially available back end  
13 controls to address CO2 at large fossil fired facilities;  
14     *WHEREAS*, the Commonwealth of Massachusetts acknowl-  
15 edges that the cost to comply with the CO2 aspects of 310 CMR  
16 7.29 are significantly less than if the affected facilities had to  
17 comply with RGGI and that most costs to electric generators  
18 eventually get passed onto consumers. CO2 or equivalent reduc-  
19 tions are achieved by 310 CMR 7.29 in a more economically effi-  
20 cient manner than RGGI;  
21     *WHEREAS*, the Commonwealth of Massachusetts acknowl-  
22 edges that facilities subject to 310 CMR 7.29 are vital to assuring

23 both state and regional fuel diversity and electric system relia-  
24 bility;

25 *WHEREAS*, the Commonwealth of Massachusetts recognizes  
26 that fossil fuel fired units located in the Commonwealth greater  
27 than 25 MW are also a significant source of carbon dioxide emis-  
28 sions;

29 *THEREFORE*, be it enacted by the Senate and House of Repre-  
30 sentatives in General Court assembled, and by the authority of the  
31 same, as follows:

32 Section 1. (a) For purposes of this section, the following words  
33 shall have the following meanings:

34 “Allowance” an authorization to emit a fixed amount of carbon  
35 dioxide.

36 “Cap and trade program” is a policy approach to controlling  
37 large amounts of emissions from a sector, such as electric gener-  
38 ating stations. The approach first sets an overall cap, or maximum  
39 amount of emissions per compliance period, that will achieve the  
40 desired reductions in emissions. Authorizations to emit in the  
41 form of emission allowances are then allocated to electric gener-  
42 ating stations, given to other entities or auctioned off. The total  
43 number of allowances cannot exceed the cap for a given compli-  
44 ance period. Individual control requirements, should they exist,  
45 are not specified for electric generating stations. The only require-  
46 ments are that sources completely and accurately measure and  
47 report all emissions and then turn in the same number of  
48 allowances or offsets as actual emissions at the end of the compli-  
49 ance period.

50 “Regional Greenhouse Gas Initiative” or “RGGI”, Memo-  
51 randum of Understanding dated December 20, 2005, as may be  
52 amended, that established a cap and trade program within the  
53 northeast region of the United States.

54 (b) The department of environmental protection shall, in con-  
55 sultation with department of telecommunications and energy,  
56 through appropriate rules and regulations, establish a carbon  
57 dioxide cap and trade program that will limit and then reduce the  
58 total carbon dioxide emissions released by fossil fuel fired elec-  
59 tric generating units, 25 MW or larger, that generate electric  
60 power in Massachusetts. The department of environmental protec-  
61 tion's rules and regulations establishing a carbon dioxide cap and

62 trade program shall be designed so as to fully comply with the  
63 Regional Greenhouse Gas Initiative (RGGI) and permit the  
64 holders of carbon allowances and carbon offsets to trade them in a  
65 regional market proposed to be established through the RGGI.  
66 The units already subject to the carbon dioxide requirements of  
67 310 CMR 7.29 shall remain subject to said requirements and shall  
68 not be subject to RGGI. The units subject to the carbon dioxide  
69 requirements of 310 CMR 7.29 shall be allowed to use RGGI  
70 allowances or RGGI offsets to demonstrate compliance with the  
71 carbon dioxide requirements of 310 CMR 7.29.

72 (c) The department shall provide in those regulations that at  
73 least fifty percent of all allowances, issued under that program in  
74 the Commonwealth shall be sold by the Commonwealth through  
75 an auction open to all who wish to participate and all funds recov-  
76 ered from said auction shall be used for consumer benefit or  
77 strategic energy purposes, including the use of the allowances to  
78 promote energy efficiency, to directly mitigate electricity  
79 ratepayer impacts, to promote renewable or non-carbon emitting  
80 energy technologies, to stimulate or reward investment in the  
81 development of innovative carbon emission abatement technolo-  
82 gies with significant carbon reduction potential. Any monies  
83 received by the Commonwealth as a result of such sale of  
84 allowances may be spent for the purposes specified in this section,  
85 or purposes specified in the RGGI, without further appropriation.

86 (d) The responsibilities hereunder shall be in addition to all  
87 other responsibilities imposed by any other general or special law  
88 or rule or regulation and shall not diminish or reduce any power or  
89 authority of the department of environmental protection including  
90 the authority to adopt standards and regulations necessary for the  
91 Commonwealth to join and fully participate in any multi-state  
92 program, at any stage in the development and implementation of  
93 such a program, intended to control emissions of carbon dioxide  
94 and/or other substances that are determined by the department of  
95 environmental protections to be damaging and/or altering the  
96 climate.