

THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE DEPARTMENT

STATE HOUSE • ROOM 271  
BOSTON, MASSACHUSETTS 02133  
TEL: (617) 725-4030 • FAX: (617) 727-8290

DEVAL L. PATRICK  
GOVERNOR

ATTACHMENT F

July 12, 2013

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution, I am returning to you for amendment Section 36 of House Bill No. 3538, "An Act Making Appropriations for the Fiscal Year 2014 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Section 36 directs the Department of Energy Resources to make annual payments from the Regional Greenhouse Gas Initiative (RGGI) auction proceeds to municipalities meeting certain criteria when a coal and oil-fired facility reduces production. While I support the idea that municipalities must carefully plan for the effective re-use of property where decommissioned or soon-to-be decommissioned coal-fired power plants are currently located, requiring annual payments of this nature would be too costly for the limited RGGI funds. These funds, which fluctuate from year to year, are intended for Green Communities and energy efficiency programs.

Consequently, I am proposing an amendment that would limit this use of RGGI funds to a one-time payment and also direct the Massachusetts Clean Energy Center to provide resources to municipalities with retiring coal-fired power plants to examine the potential land uses, redevelopment options and remediation options for these sites. This kind of planning will help ensure that the closure

of these facilities is part of a larger process that has a goal of making our municipalities healthier, cleaner and more productive.

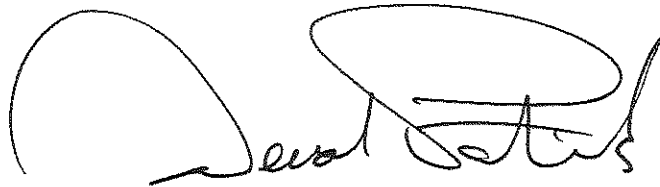
For these reasons, I recommend that Section 36 be amended by striking out the text and inserting in place thereof the following text:-

SECTION 36. (a) Notwithstanding any general law or special law to the contrary, the department of energy resources shall expend an amount not to exceed \$3,000,000 from the RGGI Auction Trust Fund established in section 35II of chapter 10 of the General Laws for a 1-time reimbursement to a municipality that has been negatively impacted by a reduction in property tax receipts from a dual coal and oil fired electric generating station due to a reduction in capacity factor, occurring after July 1, 2012. The municipality shall be entitled to reimbursement under this section of an amount by which the tax receipts, including payments in lieu of taxes or other compensation, paid by the affected property owner of the electric generating station in tax year 2013 is less than the amount of the tax receipts paid by the electric generating station in 2012. Before reimbursement to a municipality under this section, the municipality and the affected property owner of the electric generating station shall negotiate in good faith payments in lieu of taxes or other compensation for subsequent years; but if the municipality and the affected property owner of the electric generating station have not negotiated in good faith payments in lieu of taxes and other compensation, then the facility's tax obligation shall be determined by an independent third party assessor paid by the facility but selected jointly by the municipality and the affected property owner of the electric generating station or, if they are unable to arrive at a joint selection, by the department of revenue.

(b) Notwithstanding any general or special law to the contrary, the Massachusetts clean energy center shall provide not less than \$100,000 for communities to conduct site assessments of retiring coal-fired electric generating power plants located in that community.

The study shall include, but not be limited to, an examination of the potential land uses, redevelopment options and remediation options for the site.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David S. [unclear]", written in a cursive style.