## Senate Starts 'Traveling Down the Road' to Net-Zero

~ Submitted by Sen. Mike Barrett's office, with thanks to the State House News Service

Senators took a major step Thursday toward achieving the net-zero emissions target they already set for Massachusetts by approving a policy-heavy bill aimed at expanding the clean energy industry and reining in emissions from the transportation and building sectors.

Nearly 12 hours after they kicked off debate, senators voted 37-3 on legislation (<u>S</u> <u>2819</u>) that faces an unclear future as negotiators prepare to reconcile it with a smaller-scope bill that cleared the House (H 4515). All three of the chamber's Republicans, who unsuccessfully pushed an alternative proposal, voted against the final measure.

Along the way, the Senate adopted 45 amendments -- including one that calls for attempting to nearly double the amount of offshore wind energy generated for Massachusetts over the next decade-plus -- leading to what Telecommunications, Utilities and Energy Committee Chair Sen. Michael Barrett called "a product here that is much better than when we started."

The legislation, which comes on the heels of a 2021 law committing to reaching net-zero emissions statewide by 2050, would pump \$250 million into clean energy expansion, electric vehicle incentives, and electric vehicle charging infrastructure. It would also overhaul the offshore wind procurement process, require greater scrutiny on the future of natural gas, and allow some cities and towns to restrict the use of fossil fuels in new construction.

"Last year's climate bill was about laying out a plan for tackling this formidable challenge of climate change. This year, in this legislation, we propose to begin to execute on the plan. If you like metaphors, last year was about laying out a

roadmap, today we start traveling down the road. That's why this is all about implementation," Barrett, a Lexington Democrat, said on the Senate floor. "I am happy beyond measure, I am so happy, that this Senate has the courage to move beyond roadmapping and beyond laying out a template and is in favor of getting to the question of implementation and execution."

The bill focuses on three main areas: electricity, transportation and buildings, all of which play major roles in existing greenhouse gas emissions.

Using surplus state tax revenues as seed funding, the legislation would create a \$100 million Clean Energy Investment Fund, spend \$100 million to incentivize adoption of electric vehicles, and deploy \$50 million to build out electric vehicle charging infrastructure.

All new vehicles sold in Massachusetts would need to produce zero emissions starting in the year 2035 under the bill, which would also require the MBTA to purchase or lease only zero-emission buses starting in 2028 and convert the entire fleet by 2040.

After senators adopted an amendment filed by Transportation Committee Cochair Sen. Brendan Crighton, the bill would also require the MBTA to cease purchasing diesel-powered locomotive trains by the end of 2030 and lay out specific plans to electrify the commuter rail system.

Ten municipalities would be empowered to limit the use of fossil fuels in new construction, a local option that Senate Democrats crafted in response to the Baker administration's stretch energy code that does not authorize cities and towns to mandate builders use all-electric heating.

Sen. Marc Pacheco at one point delivered a 61-minute speech calling for the Senate to expand the bill's focus to include housing emissions. He filed an amendment that would use \$1 billion in remaining American Rescue Plan Act dollars to fund home retrofits with energy-efficient heating systems and clean

energy infrastructure.

Largely mirroring a Pacheco bill known as the "Building Justice with Jobs Act" (H 3365 / S 2226), the amendment would have called for rolling out a plan to cut statewide housing-related emissions 50 percent by 2030 and completely by 2040.

Pointing to recent United Nations and Intergovernmental Panel on Climate Change reports about the rapid pace of the climate disaster, Pacheco said the future will look "extraordinarily bad if we don't really kick up our game."

"Think about what I said earlier: 2008 was the first comprehensive bill that passed," Pacheco told his colleagues, referring to the Global Warming Solutions Act that initially implemented greenhouse gas emissions reduction targets. "Here we are in 2022. That's how quickly the Legislature has worked on this thing. You got to be kidding me. There's no plan right now. I hope everybody gets that, no plan. We say we want it done. Even if you had a little bit of a plan, you've got nothing to accomplish the plan with what's out there right now."

Fellow Democrats contended that Pacheco's amendment, while targeting an important area, would have delegated too much responsibility to unelected panels.

"My argument is with the wording of the amendment, which essentially sets up a task force in place in the Legislature. The policymaking that we do, we would be delegating to an unelected body that doesn't have a single elected representative of a city, a town or a state legislative district. This is an extraordinary, and I'm sure unconstitutional, delegation of power," Barrett said. "We cannot give away the lawmaking function whole cloth in this manner, and that's precisely what this language does."

Senators voted 11-28 to reject Pacheco's home heating amendment.

Other proposed changes that senators shot down included Sen. Sonia Chang-Diaz

amendments to create a \$100 million trust fund to expand fare-free transit and another \$100 million fund to modernize electric bus infrastructure, a Minority Leader Bruce Tarr proposal to study the gas tax revenue impacts of requiring all-electric vehicle sales, and a Sen. Jamie Eldridge push to quadruple the number of communities that could impose fossil fuel-free building mandates.

The proposal still faces a long, uncertain road to final passage featuring a negotiation showdown with the House, which <u>last month approved</u> a narrower bill that aims to turbocharge the offshore wind industry but was silent on other Senate-backed reforms. The House could also tackle additional climate legislation in the coming months.

Representatives in March voted 144-12 in favor of a bill that would remove the offshore wind price cap, which currently requires each new project to offer power at a lower price than its predecessor, in most situations while adding a new focus on job creation and economic development aspects of bids.

The Senate bill would keep a price cap in place for new bids, albeit while allowing some economic development costs to be excluded from that calculation.

Another substantial difference between the branches' approach -- eyeing additional offshore wind energy -- emerged via the amendment process Thursday.

With an unrecorded voice vote, senators approved a Sen. Julian Cyr amendment that calls for the Department of Energy Resources to "strive to achieve the goal of not less than 10,000 megawatts of offshore wind capacity by not later than 2035."

Massachusetts has already authorized procuring 5,600 megawatts of offshore wind power, and two projects already in development would total about 1,600 megawatts.

Cyr said kicking off a "second phase of offshore wind procurement" would coincide with the expected availability of new lease areas in the Gulf of Maine accessible to the Boston area and the North Shore, and he also said it would position Massachusetts by itself to fulfill one-third of the Biden administration's

national goal for offshore wind production by 2030.

The offshore wind bill the House approved March 3 would update the procurement process, create new tax credits and incentives for the industry, expand training programs, incentivize electrical grid modernization and impose new environmental and fishing requirements on offshore wind projects, but it does not authorize any additional procurement.

Lawmakers are set to wrap up their formal business for the 2021-2022 session on July 31, leaving less than four months remaining to hammer out a compromise and get it to Gov. Charlie Baker's desk.

Differences in scope were on the mind of Tarr, who on Thursday said he hopes his chamber approves legislation that could be reconciled with the House in "the very limited time remaining in this legislative session."

"There are many things, Mr. President, that we could consider and in due time we should consider," Tarr told his colleagues. "But at the moment, we have a task and the task is to advance the agenda of eliminating carbon emissions from the environment. And the timeframe that we have to take that next step is the end of July. I hope that we will bear that in mind and I hope that will produce a succinct, concise, effective, cost-effective document that does not reach beyond its means but that finds a way for us to move forward and prepare for the next steps beyond that document."

Baker has offered his own bill to reshape the offshore wind procurement process, including by scrapping the price cap, and to spend \$750 million in federal aid to launch a clean energy investment fund.

The Senate on Thursday rejected an amendment from Tarr that would have called for using \$750 million in American Rescue Plan Act funds, similar to Baker's proposal.

Senate Republicans also pushed unsuccessfully to effectively replace the bill with a substitute version that would have complemented the \$250 million in state spending with another \$250 million in ARPA money. Altogether, that fund would have gone toward clean energy investment, electric vehicle promotion and infrastructure, fleet modernization and electric grid reliability and resilience.

The Republican-backed overhaul would have added a new focus on carbon sequestration but whittled down other sections of the baseline proposal. GOP Sen. Patrick O'Connor of Weymouth said the amendment sought to address a "major looming economic reality" in the legislation that hit the Senate floor.

"We need to start by talking to Massachusetts taxpayers. We need them to buy into our plans. We need to make sure they have the resources needed to transition their property to clean energy and that they have trust in their government to support their transition," O'Connor said. "And responsibility means that we don't leave our residents with unaffordable costs of living, when they're already dealing right now with astronomical inflation and high energy prices."

"At the end of the day, no matter how great the plan is, if a plan is not sustainable it doesn't work," he added.

Senators voted 3-36 to reject the Republican amendment, which Barrett called "a truncated version of a progressive bill," with all three GOP members in favor.