SENATE No. 1179

The Commonwealth of Massachusetts

PRESENTED BY:

Paul R. Feeney

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to a just transition to clean energy.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
Paul R. Feeney	Bristol and Norfolk	
Paul W. Mark	Berkshire, Hampden, Franklin and Hampshire	2/8/2023
Walter F. Timilty	Norfolk, Plymouth and Bristol	2/8/2023
Michael D. Brady	Second Plymouth and Norfolk	2/8/2023
Thomas M. Stanley	9th Middlesex	2/9/2023
Marc R. Pacheco	Third Bristol and Plymouth	2/10/2023
James B. Eldridge	Middlesex and Worcester	2/13/2023
Vanna Howard	17th Middlesex	2/16/2023

SENATE No. 1179

By Mr. Feeney, a petition (accompanied by bill, Senate, No. 1179) of Paul R. Feeney, Paul W. Mark, Walter F. Timilty, Michael D. Brady and other members of the General Court for legislation relative to a just transition to clean energy. Labor and Workforce Development.

[SIMILAR MATTER FILED IN PREVIOUS SESSION SEE SENATE, NO. 1197 OF 2021-2022.]

The Commonwealth of Alassachusetts

In the One Hundred and Ninety-Third General Court (2023-2024)

An Act relative to a just transition to clean energy.

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Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 164 of the General Laws is hereby amended by striking out section

1E, as appearing in the 2020 Official Edition, and inserting in place thereof the following

section:-

Section 1E. (a) The department is hereby authorized to promulgate rules and regulations to establish and require performance based rates for each distribution, transmission, and gas company organized and doing business in the commonwealth pursuant to the provisions of this chapter. In promulgating such performance based rate schemes, the department shall establish service quality standards each distribution, transmission, and gas company, including, but not limited to, standards for customer satisfaction service outages, distribution facility upgrades, repairs and maintenance, telephone service, billing service, and public safety, occupational

safety, training and certifications for both in-house and contractor employees, map and record accuracy, and in-house staffing benchmarks sufficient to ensure pipeline safety through the period of transition to net zero emissions.

In addition, the department shall require each gas company, as part of performance based ratemaking, to submit a just transition plan, which must be approved by the department, to address workforce development, maintenance and attrition over the course of the transition to net zero emissions generally, and the PBR period specifically, and provide for the following:

- 1. A detailed proposed chronology for transition to net zero emissions energy supply and distribution to be set through performance based ratemaking;
- 2. Sufficient in-house staffing levels, in each relevant classification, to ensure the safety and reliability of the gas company's pipeline through the projected transition period;
 - 3. Training and workforce development plans providing for gas company workforce needs on residual natural gas and electric as well as alternative energy sources, generation and distribution infrastructure utilized by the gas company to replace and/or complement natural gas;
 - 4. Any and all mitigation measures to address the impacts of transition—e.g., attrition, retrenchment—on the gas company's workforce over the course of the PBR—including, but not limited to—cross-training and hiring preferences at dual-fuel companies and joint ventures with renewable energy generators/distributors, early retirement incentives;
- 5. In the event of the gas company's anticipated substantial partial or complete cessation of gas operations in Massachusetts during the period in which PBR is effective:

a. Means by which the gas company, and/or its parent corporation intends to avoid burdening the Commonwealth, its ratepayers, and taxpayers with the social welfare costs resulting from such cessation;

- b. Measures to ensure the solvency of the LDC pension system during and after transition;
- c. Measures to stem the displacement of LDC employees attrited as a result of transition from the Massachusetts energy sector.
 - 6. Nothing in this section shall prohibit or supplant the LDC's collective bargaining obligations relative to the National Labor Relations Act.
 - (b) In complying with the service quality standards and employee benchmarks established pursuant to this section, a distribution, transmission, or gas company that makes a performance based rating filing after the effective date of this act shall not be allowed to engage in labor displacement or reductions below staffing levels in existence on January 1, 2022, unless such are fully compliant with any law supporting a just transition to net zero emissions and part of a collective bargaining agreement or agreements between such company and the applicable organization or organizations representing such workers, or with the approval of the department following an evidentiary hearing at which the burden shall be upon the company to demonstrate that such staffing reductions shall not adversely disrupt service quality standards or public safety and shall maintain reliable service through the transition to net zero emissions as established by the department herein. Nothing in this paragraph shall prevent reduction of forces below the January 1, 2022 level through early retirement and severances negotiated with labor organizations before said date.

(c) The department shall promulgate regulations relative to an alternative dispute resolution process for the handling of damage claims by customers in an amount under \$100. The department shall establish a 60 day timeline for the resolution of all mediation claims. The department shall issue a biannual report to the joint committee on telecommunications, utilities and energy which shall include, but not be limited to, the following information: the nature of consumer claims, the number of consumer claims and the resolutions of consumer claims reviewed by the department during the previous 6 months. Said report shall be available for public review at the department.

SECTION 2. Chapter 164 of the General Laws is hereby amended by striking out section 145, as appearing in the 2020 Official Edition, and inserting in place thereof the following section:-

Section 145. (a) For the purposes of this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:-

"Customer", a retail natural gas customer.

"Eligible infrastructure replacement", a replacement or an improvement of existing infrastructure of a gas company that: (i) is made on or after January 1, 2015; (ii) is designed to improve public safety or infrastructure reliability; (iii) does not increase the revenue of a gas company by connecting an improvement for a principal purpose of serving new customers; (iv) reduces, or has the potential to reduce, lost and unaccounted for natural gas through a reduction in natural gas system leaks; (v) is not included in the current rate base of the gas company as determined in the gas company's most recent rate proceeding; (vi) may include use of advanced leak repair technology approved by the department to repair an existing leak-prone gas pipe to

extend the useful life of the such gas pipe by no less than 10 years; and (vii) may include replacing gas infrastructure with utility-scale non-emitting renewable thermal energy infrastructure.

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"Plan", a targeted infrastructure replacement program construction plan that a gas company files pursuant to subsection (b).

"Project", an eligible infrastructure replacement project proposed by a gas company in a plan filed under this section.

(b) A gas company shall file with the department a plan to address aging or leaking natural gas infrastructure within the commonwealth and the leak rate on the gas company's natural gas infrastructure in the interest of public safety and reducing lost and unaccounted for natural gas through a reduction in natural gas system leaks. This plan shall include, but not be limited to, provisions to ensure the gas company trains a sufficient, highly skilled, stable workforce to repair and maintain the safety and reliability of its pipeline for the duration of its useful life, until and including its retirement or re-purposing for alternative use. Each company's gas infrastructure plan shall include interim targets for the department's review. The department shall review these interim targets to ensure each gas company is meeting the appropriate pace to reduce the leak rate on and to replace the gas company's natural gas infrastructure in a safe and timely manner. The interim targets shall be for periods of not more than 6 years or at the conclusion of 2 complete 3-year walking survey cycles conducted by the gas company. The gas companies shall incorporate these interim targets into timelines for removing all leak-prone infrastructure filed pursuant to subsection (c) and may update them based on overall progress. The department may levy a penalty against any gas company that fails to meet its interim target in an amount up to and including the equivalent of 2.5 per cent of such gas company's transmission and distribution service revenues for the previous calendar year.

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(c) Any plan filed with the department shall include, but not be limited to: (i) eligible infrastructure replacement of mains, services, meter sets and other ancillary facilities composed of non-cathodically protected steel, cast iron and wrought iron, prioritized to implement the federal gas distribution pipeline integrity management plan annually submitted to the department and consistent with subpart P of 49 C.F.R. part 192; (ii) an anticipated timeline for the completion of each project; (iii) the estimated cost of each project; (iv) rate change requests; (v) a description of customer costs and benefits under the plan; (vi) the relocations, where practical, of a meter located inside of a structure to the outside of said structure for the purpose of improving public safety; and (vii) how the gas company intends to utilize its in-house workforce and outside contractor crews, respectively, to perform construction; (viii) all oversight and quality assurance measures implemented by the gas company on construction during the course of the plan; (ix) all funds to be expended on training for its in-house on the construction and maintenance of its pipeline; (x) any plans for the utilization of pipeline to satisfy the Commonwealth's net zero emissions goals and aggregated data reflecting the projected impact of the plans on the Commonwealth's net zero emissions goals; and (xi) any other information the department considers necessary to evaluate the plan.

As part of each plan filed under this section, a gas company shall include a timeline for removing all leak-prone infrastructure on an accelerated basis specifying an annual replacement pace and program end date with a target end date of: (i) not more than 20 years from the filing of a gas company's initial plan; or (ii) a reasonable target end date considering the allowable recovery cap established pursuant to subsection (f). The department shall not approve a timeline

as part of a plan unless the allowable recovery cap established pursuant to subsection (f) provides the gas company with a reasonable opportunity to recover the costs associated with removing all leak-prone infrastructure on the accelerated basis set forth under the timeline utilizing the cost recovery mechanism established pursuant to this section. After filing the initial plan, a gas company shall, at 5-year intervals, provide the department with a summary of its replacement progress to date, a summary of work to be completed during the next 5 years and any similar information the department may require. The department may require a gas company to file an updated long-term timeline as part of a plan if it alters the cap established pursuant to subsection

SECTION 3. Chapter 164 of the General Laws is hereby amended by adding the following section:-

Section 149.

- (a) For the purposes of this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:
- "Company", is interchangeable with the term employer and refers to any local distribution company regulated under M.G.L. c. 164 § 3 and distributing natural gas to ratepayers.
- "Dual Fuel Company", refers to Companies who distribute natural gas and one or more other form of energy to commercial, governmental, and/or residential ratepayers.

"Alternative Energy Company", refers to Companies who generate or distribute forms of energy who production and use results in the production of lower carbon emissions conventional natural gas or electric energy.

"Commonwealth", refers to Commonwealth and/or its departments, offices, agencies, political sub-divisions, and quasi-public agencies, including but not limited to quasi-public agencies subject to said chapter 150A by chapter 760 of the acts of 1962 and any quasi-public independent entity and any authority or body politic and corporate established by the general court to serve a public purpose.

- (b) Every Company shall develop, and periodically amend a comprehensive plan, as set forth in Section 1E of Chapter 164 [as amended in Section 1 of this Legislation] to be filed with the Department of Public Utilities, for the hire, retention, and training of a sufficient operations and maintenance workforce through 2050 addressing its plans to meet the Commonwealth's net zero emissions goals and its plans to fulfill this Chapter's requirements to provide safe and reliable service as well as all other state and Federal regulatory requirements. Such plan shall be amended bi-annually, beginning July 1, 2024. Each Company plan shall also provide projections for any attrition among its in-house workforce and the utilization of outside contractors over both the biannual period and over the course of the transition to net zero emissions.
- (c) Dual Fuel Companies must additionally provide, as part of their biannual plan, all provisions, opportunities and initiatives to provide training and employment opportunities to workers who may be displaced by the Company's compliance with the Commonwealth's net zero emissions goals.
- (d) The Department shall, when initiated sua sponte or by motion of the Attorney

 General, initiate an investigation to determine to determine the sufficiency of the Company's

 plan with regard to meeting the Commonwealth's net zero emission requirements and Chapter

164's reliability, safety and staffing requirements. Such plans, and all back-up data upon which the plans are based, shall be subject to disclosure to all intervening stakeholders during the investigation.

- (e) The Executive Office of Energy and Environmental Affairs and the Executive Office of Labor and Workforce Development shall, joint and in collaboration, administer programs, provide technical assistance, and develop regulations for a training fund to support the establishment of apprenticeship programs to train Company employees on alternative energy generation and distribution and raise the next generation of energy industry workers in the Commonwealth.
- (f) Grants from the fund may be provided to Gas and Dual Fuel Companies for the development and execution of training of their workforces on a competitive basis, based upon a number of factors, including, but not limited to, the Company's demonstrated commitments to (1) retaining and repurposing its highly skilled in-house gas workforce on a dual fuel or alternative energy businesses, (2) maintaining high quality, longterm in-house employment opportunities in energy distribution. Labor organizations representing Gas Company workers and Dual Fuel Company workers may also apply for funding.
- (g) Alternative energy companies, including both generating or distributing companies, may also apply for training grants from this fund to defray the cost of hiring and training workers displaced by the Commonwealth's efforts to meet its net zero emissions goals. To qualify, alternative energy companies must demonstrate that (1) they are developing and executing plans for hiring, training and retention that include a demonstrated commitment to training and hiring gas company employees and other workers displaced by the Commonwealth's transition to net

185 zero emissions, (2) they have or are in the process of developing robust in-house training 186 programs in the Commonwealth on alternative energy, and (3) their commitment to the creation 187 and maintenance of high quality, sustainable employment opportunities for displaced workers. 188 SECTION 4. Chapter 151A of the General Laws, as appearing in the 2020 Official 189 Edition, is hereby amended by adding the following section:-190 Section 75. 191 (a) For the purposes of this section, the following words shall, unless the context clearly 192 requires otherwise, have the following meanings: 193 "Adversely affected employment", employment with an employer providing labor, 194 goods, and/or services facilitating the generation, distribution, or transmission of energy from 195 fossil fuels, including but not limited to the distribution of natural gas, which may be or are 196 adversely affected by the Commonwealth's efforts to realize its net zero emissions goals. 197 "Adversely affected worker", an individual who, because of lack of work in adversely 198 affected employment, has been totally or partially separated from such employment, or has been 199 threatened to be totally or partially separated from such employment. 200 "Adjustment assistance", any compensation, credit, benefit, funding, training, or service 201 provided under this Section. 202 "Suitable employment", employment at a wage that is not less than 90 percent of the

wage the worker received on the day before any partial or total separation.

"Applicable employer", as applicable—

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205	(a) an employer engaged in the generation, distribution/transmission of energy from fossil
206	fuels ("fossil fuel employer");
207	(b) an employer engaged in the generation, distribution, or transmission of fossil fuel
208	energy that also, either as a secondary component of its business or by corporate affiliation,
209	generates, distributes, or transmits another form of energy ("dual fuel employer"); distribute
210	natural gas and one or more other form of energy to commercial, governmental, and/or
211	residential ratepayers or,
212	(c) an employer providing labor, goods, and/or services in or to the renewable energy
213	industry ("alternative energy employer").
214	"Partial separation",, with respect to an individual who has not been totally separated,
215	that such individual has experienced—
216	(a) a reduction in hours of work to 80 percent or less of the individual's average weekly
217	hours in adversely affected employment; and
218	(b) a reduction in wages to 80 percent or less of the individual's average weekly wage in
219	such adversely affected employment.
220	"Threatened", with respect to total or partial separation, means that an individual is aware
221	of imminent total or partial separation from employment with an applicable firm or with a
222	company with which the applicable firm is contracted to provide goods or services.
223	"Total separation", the layoff or severance of an adversely affected worker.
224	(b) Transition Related Unemployment Assistance.

225	(1) In general. DUA shall make payments of temporary additional unemployment
226	compensation for up to 104 additional weeks to adversely affected workers who have been
227	totally separated:
228	(i) have exhausted all rights to regular unemployment compensation under the State law
229	or under Federal law with respect to a benefit year;
230	(ii) have no rights to regular compensation with respect to a week under such law or any
231	other State unemployment compensation law or to compensation under any other Federal law;
232	and
233	(iii) are able to work, available to work, and actively seeking work.
234	(2) Exhaustion of benefits
235	For purposes of paragraph (1), an adversely affected individual shall be deemed to have
236	exhausted such individual's rights to regular compensation under a State law when—
237	(i) no payments of regular compensation can be made under such law because such
238	individual has received all regular compensation available to such individual based on
239	employment or wages during such individual's base period; or
240	(ii) such individual's rights to such compensation have been terminated by reason of the
241	expiration of the benefit year with respect to which such rights existed.
242	(3) Weekly benefit amount.
243	In general, subject to paragraph, for purposes of any agreement under this section—

(i) the amount of temporary additional unemployment compensation that shall be payable to any applicable individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment;

- (ii) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof (including terms and conditions relating to availability for work, active search for work, and refusal to accept work) shall apply to claims for temporary additional unemployment compensation and the payment thereof; and
- (iii) the maximum amount of temporary additional unemployment compensation payable to any applicable individual is 156 weeks.
- (4) Funding. Each applicable employer, as defined in Section ____, shall make contributions as established by the Department of Unemployment Assistance, pursuant to its enabling authority under Chapter 151A, into a newly established Clean Energy Just Transition Unemployment Trust Fund to cover the cost of these benefits. The Department shall establishing contribution rates and schedules as well as all relevant regulations for the Just Transition Trust Fund to ensure that it is fully funded and may be utilized by all adversely affected employees who are terminated no later than January 1, 2025. The Department may also use funding from the Trust Fund to establish programs and benefits for adversely affected workers to assist them in obtaining training and replacement employment opportunities and to cover health insurance.
- SECTION 5. Chapter 23 of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by adding the following section:-
 - Section 26. Just Transition to Clean Energy

(a) (1) In the department of career services, within the executive office of labor and workforce development, there shall be a just transition office. The office shall ensure that workers employed in the energy sector who are displaced due to efforts by the commonwealth or the private sector to reduce greenhouse gas emissions or transition from fossil fuels to clean energy have immediate access to employment and training opportunities in clean energy industries and related fields. The just transition office shall also work with clean energy businesses to ensure they act as responsible employers to further the commonwealth's workforce and economic development goals. The just transition office shall also work to increase access to employment and training opportunities in clean energy industries and related fields for residents of environmental justice communities.

- (2) The secretary of labor and workforce development shall appoint the director of the office.
- (3) Within the office there shall be a just transition advisory committee consisting of: (i) the director of the office; (ii) the secretary of labor and workforce development and the commissioner of the department of energy resources, or their designees; (iii) the director of the office of clean energy equity in the executive office of energy and environmental affairs; (iv) a representative of employers in the gas utility sector appointed by the governor; (v) a representative of employers in the electric power generation sector appointed by the governor; (vii) a representative of employers in the renewable electricity sector appointed by the governor; (viii) a representative of employers in the energy efficiency sector appointed by the governor; (viii) a representative of employers in the clean transportation sector appointed by the governor; (ix) a representative of employers in the clean heating sector appointed by the governor; (x) a representative of employees in the gas utility sector appointed by the president of the

Massachusetts AFL-CIO; (xi) a representative of employees in the electric power generation sector appointed by the president of the Massachusetts AFL-CIO; (xii) two representatives of employees in the clean energy sector appointed by the president of the Massachusetts AFL-CIO; (xiii) a representative of employees in the transportation sector appointed by the president of the Massachusetts AFL-CIO; (xiv) the president of the Massachusetts Building Trades Council or a designee, and (xv) two representative of environmental justice communities appointed by the director of the office of clean energy equity.

- (4) The committee shall be tasked with developing a just transition plan for the energy sector that identifies workers currently employed in the sector by industry, trade, and job classification, and contains relevant information including, but not limited to, current wage and benefit packages and current licensing, certification and training requirements. The committee, through the just transition plan, shall recommend education and training programs to enhance reemployment opportunities within the energy sector, and services to support dislocated workers displaced from jobs within the energy sector as a result of emissions-reducing policies and advancements in clean energy technology. The just transition plan shall also recommend actions to increase opportunities for residents of environmental justice communities to work in clean energy industries.
 - (5) The just transition plan shall include provisions to:
- (a) Administer climate adjustment assistance benefits that are similar in type, amount, and duration to federal Trade Adjustment Assistance Benefits available pursuant to 20 CFR 617.20–617.49;

(b) Educate dislocated workers, in collaboration with employers of dislocated workers and relevant labor unions, on re-employment or training opportunities, and how to apply for climate adjustment assistance benefits;

- (b) Provide training, cross-training, and re-training to workers displaced by gas infrastructure loss in the commonwealth's local distribution companies and related businesses;
- (b) Address the workforce development challenges of the fossil fuel energy sector's shrinking workforce over the course of the commonwealth's 25-year transition to a clean energy economy;
 - (c) Incentivize the hiring of displaced energy sector workers with utilities, clean energy industries, and related industries;
 - (d) Work with the Massachusetts Clean Energy Center to ensure that training and employment opportunities for displaced energy sector workers are included in their initiatives, incentives, funding opportunities, and projects;
 - (e) Work with the department of public utilities and other agencies regulating the energy sector within the commonwealth to coordinate just transition initiatives, complementing the other regulatory priorities of those agencies;
 - (f) Establish a fund to implement the just transition plan and its components, including potential sources for sustainable short-term and long-term funding;
 - (g) Develop requirements, including the submission of a workforce transition plan, for energy sector employers that are closing a facility or significantly reducing their workforces as a

result of efforts by the commonwealth or the private sector to reduce greenhouse gas emissions or transition from fossil fuels to clean energy; and

- (h) Increase access to employment and training opportunities in clean energy industries and related fields for residents of environmental justice communities.
- SECTION 6. (a) Employers described in paragraph (i) of subsection (5) shall submit a workforce transition plan to the office. Workforce transition plans shall be subject to section 10 of chapter 66 and shall include:
 - (b) The reasons for the workforce reduction or facility closure;
- 1. The total number of workers by job classification and by geographic assignment employed by the employer;
- 2. The total number of workers whose existing jobs who will be retained, by job classification and geographic location;
- 3. The total number of workers whose existing jobs will be eliminated by the workforce reduction or the closure of a facility, by job classification and geographic location;
- 4. Whether each classification of workers whose jobs are being eliminated will be offered employment in any other job classification or capacity by the employer; how many employees in each classification will be offered employment; and whether the replacement employment offered will provide comparable wages, benefits, and working conditions;
- 5. Whether the employer is offering severance or early retirement benefits to impacted workers; the value of the severance or early retirement benefits; whether the severance or early

retirement benefits are being provided to all or certain classes of workers; and how many impacted workers intend to utilize these offerings;

- 6. Whether the employer plans to transfer the work to a separate facility, enter a contracting agreement for work previously performed by company employees, or otherwise outsource work previously performed by company employees; and
- 7. Whether the employer is a recipient of loans, grants, tax increment financing, or any other financial incentive from the commonwealth, its independent state agencies, departments, or corporations, or any municipality within the last five years.
- (c) The Governor shall appoint representatives of labor organizations to participate on state climate and energy advisory boards and committees that are consistent with the energy advisory board and the energy efficiency advisory council set forth in M.G.L. c. 25 and other similarly situated committees and boards.