

SENATE No. 2214

The Commonwealth of Massachusetts

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In the Year Two Thousand Fourteen
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SENATE, Thursday, June 19, 2014

The committee on Ways and Means, to whom was referred the Senate Bill relative to credit for thermal energy generated with renewable fuels (Senate, No. 1970), reports, recommending that the same ought to pass with an amendment substituting a new draft with the same title (Senate, No. 2214).

For the committee,
Stephen M. Brewer

SENATE No. 2214

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In the Year Two Thousand Fourteen

An Act relative to credit for thermal energy generated with renewable fuels.

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

1 SECTION 1. Section 3 of chapter 25A of the General Laws, as appearing in the 2012
2 Official Edition, is hereby amended by inserting after the definition of “State Agency” the
3 following definition:-

4 “Useful thermal energy”, energy in the form of direct heat, steam, hot water or other
5 thermal form that is used in production and beneficial measures for heating, cooling, humidity
6 control, process use or other valid thermal end use energy requirements and for which fuel or
7 electricity would otherwise be consumed.

8 SECTION 2. Section 11F½ of said chapter 25A is hereby amended by striking out
9 subsections (a) and (b), as so appearing, and inserting in place thereof the following 2
10 subsections:-

11 (a) The department shall establish an alternative energy portfolio standard for all retail
12 electricity suppliers selling electricity to end-use customers in the commonwealth. Every retail
13 electric supplier providing service under contracts executed or extended on or after January 1,

14 2009 shall provide a minimum percentage of kilowatt-hour sales, as determined by the
15 department, to end-use customers in the commonwealth from alternative energy generating
16 sources and the department shall annually thereafter determine the minimum percentage of
17 kilowatt-hour sales to end-use customers in the commonwealth which shall be derived from
18 alternative energy generating sources. For the purposes of this section, “alternative energy
19 generating source” shall mean a source which generates energy using any of the following: (i)
20 combined heat and power; (ii) flywheel energy storage; (iii) energy efficient steam technology;
21 (iv) any facility that generates useful thermal energy using sunlight, biomass, biogas, including
22 renewable natural gas that is introduced into the natural gas distribution system, liquid biofuel or
23 naturally occurring temperature differences in ground, air or water, whereby 1 megawatt-hour of
24 alternative energy credit shall be earned for every 3,412,000 British thermal units of net useful
25 thermal energy produced and verified through an on-site utility grade meter or other means
26 satisfactory to the department; provided, however, that facilities using biomass fuel shall be low
27 emission, use efficient energy conversion technologies and fuel that is produced by means of
28 sustainable forestry practices; or (v) any other alternative energy technology approved by the
29 department under an administrative proceeding conducted under chapter 30A. The following
30 technologies and fuels shall not be considered alternative energy supplies: (A) coal; (B)
31 petroleum coke; (C) oil; (D) natural gas, except when used in combined heat and power or as a
32 biogas generating useful thermal energy; (E) construction and demolition debris, including but
33 not limited to chemically treated wood; and (F) nuclear power.

34 (b) The department shall set: (i) emission performance standards that are protective of
35 public health, including standards for eligible biomass, biogas and liquid biofuel technologies
36 that limit eligibility only to best-in-class commercially-feasible technologies, inclusive of energy

37 conversion and emissions controls, with regard to reducing emissions of particulate matter sized
38 2.5 microns or less and carbon monoxide and other air pollutants; (ii) for eligible biomass,
39 biogas and liquid biofuel technologies, a requirement of 50 per cent reduction in life-cycle
40 greenhouse gas emissions compared to a high efficiency unit utilizing the fuel that is being
41 displaced or, for a new load, a high-efficiency natural gas unit, if natural gas is available at
42 reasonable cost to the site or otherwise the fuel that is most likely to be utilized; (iii) for eligible
43 biomass, biogas and liquid biofuel technologies, requirements for thermal storage or other means
44 to minimize any significant deterioration of efficiency or emissions due to boiler cycling, if
45 feasible; (iv) for eligible biomass, biogas and liquid bio-fuel technologies, fuel conversion
46 efficiency performance standards achievable by best-in-class commercially-feasible
47 technologies; and (v) in consultation with the department of conservation and recreation, for
48 forest-derived biomass, requirements that fuel shall be provided by means of sustainable forestry
49 practices; provided, however, that the department shall adopt any existing or new biomass fuel
50 sustainability standards if deemed appropriate by the department after a public comment process.
51 At least once every 2 years, the department shall review and update all standards for new
52 alternative energy generating sources to strengthen them, as appropriate, as technology
53 improvements occur.

54 SECTION 3. Said section 11F^{1/2} of said chapter 25A, as so appearing, is hereby further
55 amended by adding the following 2 subsections:-

56 (e) Notwithstanding the determination that 1 alternative energy credit is to be earned per
57 3,412,000 British thermal units in subsection (a), the department may provide that for certain
58 nonemitting renewable thermal technologies, an alternative energy credit shall be earned for less

59 than 3,412,000 British thermal units of net useful thermal energy so as to stimulate the
60 development of new on-site renewable thermal energy generating sources.

61 (f) The department shall consult with the department of environmental protection and
62 department of public health in developing the emissions performance standards found in clause
63 (i) of subsection (b) and with the department of environmental protection in developing the
64 emissions reductions found in clause (ii) of said subsection (b).

65 SECTION 4. This act shall take effect on January 1, 2015.