

SENATE, No. 2814

[[Senate, July 17, 2008](#) – New text, printed as amended, to House Bill relative to to clean energy fuels ([House, No. 4951](#)).]

[Version with line numbers](#)



The Commonwealth of Massachusetts



In the Year Two Thousand and Eight.

SECTION 1. Chapter 64A of the General Laws is hereby amended by striking out section 1, as appearing in the 2006 Official Edition, and inserting in place thereof the following section:-

Section 1. As used in this chapter, the following words shall, unless the context otherwise requires, have the following meanings:--

“Appellate tax board”, the board established by section 1 of chapter 58A.

“Average price”, the weighted average selling price per gallon of fuel exclusive of federal and state motor fuel taxes imposed thereon sold by licensees, as determined by the commissioner on a consistent basis from information furnished by distributors, unclassified exporters and unclassified importers with their monthly returns and from other statistical data reflecting the average level of such prices at the time such determination is made.

“Cellulosic biofuel”, fuel that may be used in place of petroleum-based fuel derived from cellulose, hemicellulose or lignin derived from renewable biomass.

“Commissioner”, the commissioner of revenue.

“Department”, the department of environmental protection within the executive office of energy and environmental affairs.

“Distributor”, shall include: (1) any person qualified to do business in the commonwealth who produces, refines, manufactures or compounds fuel, as herein defined, or any person who operates a port or pipe line terminal within the commonwealth for the receipt of fuel, as herein defined; and (2) any person who elects to qualify as a distributor by importing into the commonwealth or by receiving within the commonwealth fuel, as herein defined, by pipe line, vessel, tank car, or tank truck lots, for resale in pipe line, vessel, tank car or tank truck lots; provided, that no person under clause (2) shall qualify as a distributor unless his facilities regularly used for the receipt and storage of fuel, as herein defined, are such that not less than 25,000 gallons may be stored in the aggregate, at one location within the commonwealth; and provided, further, that at least 75 per cent of the fuel imported or received by him is sold to others for resale exclusive of sales to government instrumentalities.

“Division”, the division of energy resources within the executive office of energy and environmental affairs.

“Eligible cellulosic biofuel”, cellulosic biofuel that yields at least a 60 per cent reduction in lifecycle greenhouse gas emissions relative to average lifecycle greenhouse gas emissions for petroleum based fuel sold in 2005, as determined by the division in consultation with the department and the executive office of energy and environmental affairs.

“Feedstock”, raw material used to produce a fuel.

“Fuel”, all products commonly or commercially known or sold as gasoline, including casing-head and absorption or natural gasoline, regardless of their classification or uses; and any liquid prepared, for Testing Materials Method D--86, not more than 9 per cent at 176° Fahrenheit, and which have a distillation range of 150° Fahrenheit, or less, or liquefied gases which would not exist as advertised, offered for sale, or sold for use as or commonly and commercially used as a fuel in internal combustion engines, which when subjected to distillation in accordance with the standard method of test for distillation of gasoline, naphtha, kerosene and similar petroleum products (American Society for Testing Materials Designation D--86) show not less than 10 per cent distilled (recovered) below 347° Fahrenheit (175° Centigrade) and not less than 95 per cent distilled (recovered) below 464° Fahrenheit (240° Centigrade); provided, that the term “fuel” shall not include industrial solvents or naphthas which distill, by American Society liquids at a temperature of 60° Fahrenheit and a pressure of 14.7 pounds per square inch absolute. For the purposes of this chapter, “fuel” shall include products sold or used as fuel for aircraft, except aircraft fuel as defined in section 1 of chapter 64J.

“Lifecycle greenhouse gas emissions”, the aggregate quantity of greenhouse gas emissions, including direct emissions and significant indirect emissions such as

significant emissions from and use changes, as determined by the division in consultation with the department and the executive office of energy and environmental affairs, related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the ultimate consumer, where the mass values for all greenhouse gases are adjusted to account for their relative global warming potential.

“Low carbon fuel standard”, a requirement that the average lifecycle greenhouse gas emissions attributable to use of energy in an economic sector are equal to or less than a specified numeric level, or a similar standard or system, such as the requirement contained in California Executive Order S-1-07. The level may be stated as units of greenhouse gas emissions per unit of delivered energy, corrected for differences in the efficiency of the energy in the particular end use; for example the difference between efficiency of a gasoline engine and an electric motor in powering a vehicle. The standard may apply to energy used in motor vehicles or to another energy-consuming sector.

“Motor vehicle” shall include any vehicle propelled by any power other than muscular, except boats, tractors used exclusively for agricultural purposes and such vehicles as run only on rails or tracks.

“Purchaser”, shall include, in addition to its usual meaning, a distributor and unclassified importer in the case of a transfer of fuel by a distributor or an unclassified importer into a motor vehicle, or into a receptacle from which fuel is supplied by him to his own or other motor vehicles.

“Renewable biomass”, non-fossil fuel based material, including: planted crops; crop residues; planted trees and tree residues from sustainably managed forests; waste materials including animal waste, animal byproducts, organic portions of municipal solid waste, grease trap waste, construction and demolition debris; and algae, or as otherwise determined by the division in consultation with the department and the executive office of energy and environmental affairs.

“Sale” shall include, in addition to its usual meaning, the transfer of fuel by a distributor or an unclassified importer into a motor vehicle or into a receptacle from which fuel is supplied by him to his own or other motor vehicles.

“Tax per gallon”, shall be 21 cents per gallon. For aviation fuel, “tax per gallon” shall mean 7½ per cent of the average price, as determined by the commissioner for each calendar quarter, computed to the nearest tenth of a cent per gallon; provided, however, that such tax shall not be less than 10 cents per gallon.

“To sell”, in all of its moods and tenses, shall refer to a sale as herein defined.

“Unclassified importer”, any person who imports or causes to be imported fuel, as herein defined, for use, distribution or sale in the commonwealth, but who does not qualify as a distributor.

“Unclassified exporter”, any person licensed as a distributor in another state who exports or causes to be exported fuel, as herein defined, for use, distribution or sale outside the commonwealth, but who does not qualify as a distributor.

“Waste feedstock”, previously used or discarded solid, liquid or contained gaseous material with heating value resulting from industrial, commercial, or household food service activities that would otherwise be stored, treated, transferred or disposed. Waste feedstock shall include but not be limited to waste vegetable oils, waste animal fats, substances derived from wastewater and the treatment of wastewater, or grease trap waste. Waste feedstock shall not include petroleum-based waste or waste that otherwise meets the definition of hazardous waste, unless otherwise determined by the department.

Section 1A. Notwithstanding the definition of “tax per gallon” in section 1 and subject to section 20 of chapter 29, for fuel consisting of eligible cellulosic biofuel or of a blend of gasoline and eligible cellulosic biofuel, the tax per gallon shall be reduced in proportion to the percentage of the fuel content consisting of eligible cellulosic biofuel, measured by available energy content, as determined by the division of energy resources, hereinafter referred to as the division.”

Manufacturers and wholesale distributors of cellulosic biofuel who seek to have their fuel classified as eligible cellulosic biofuel shall provide documentation satisfactory to the division that such fuel yields at least a 60 per cent reduction in lifecycle greenhouse gas emissions per unit of delivered energy, in comparison to the petroleum-based fuel displaced.

In determining the percentage reduction in lifecycle greenhouse gas emissions relative to petroleum-based fuel achieved by particular supplies of cellulosic biofuel, the division, in consultation with the department and the executive office of energy and environmental affairs, shall utilize information and best practices available from other sources, including other states, the federal government, foreign governments, academic research and private and non-profit organizations.

If the division determines through an initial review that a waste feedstock will yield at least a 60 per cent lifecycle greenhouse gas reduction, is free of hazardous materials and hazardous waste and meets any other conditions established by the division, the division may exempt fuel produced from such a feedstock from a full lifecycle greenhouse gas emissions analysis.

The division, in consultation with the department and the executive office of energy and environmental affairs, shall promulgate rules and regulations necessary to carry out the provisions of this section.

SECTION 2. Chapter 94 of the General Laws is hereby amended by inserting after section 249H the following section:—

Section 249H¹/₂. (1) As used in this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:-

“BQ-9000”, the national biodiesel accreditation program for producers and marketers of biodiesel fuel, operated by the national biodiesel accreditation commission.

“Commissioner”, the commissioner of the division of energy resources.

“Department”, the department of environmental protection within the executive office of energy and environmental affairs.

“Division”, the division of energy resources within the executive office of energy and environmental affairs.

“Eligible petroleum distillate substitute fuel”, petroleum distillate substitute fuel that yields at least a 50 per cent reduction in lifecycle greenhouse gas emissions relative to average lifecycle greenhouse gas emissions for petroleum distillate fuel sold in 2005, as determined by the division in consultation with the department and the executive office of energy and environmental affairs.

“Feedstock”, the raw material used to produce a fuel.

“Lifecycle greenhouse gas emissions”, the aggregate quantity of greenhouse gas emissions, including direct emissions and significant indirect emissions such as significant emissions from land use changes, as determined by the division in consultation with the department and the executive office of energy and environmental affairs, related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the ultimate consumer, where the mass values for all greenhouse gases are adjusted to account for their relative global warming potential.

“Low carbon fuel standard”, a legal requirement that the average lifecycle greenhouse gas emissions attributable to use of energy in an economic sector are equal to or below a specified numeric level, or a similar standard or system, such as the requirement contained in California Executive Order S-1-07. The level may be stated as units of greenhouse gas emissions per unit of delivered energy, corrected for differences in the efficiency of the energy in the particular end use; for example the difference between efficiency of a gasoline engine and an electric motor in powering a vehicle. The standard may apply to energy used in motor vehicles or to another energy-consuming sector.

“Petroleum distillate substitute fuel”, fuel that is derived predominantly from renewable biomass; and meets American Society for Testing and Materials specifications for use in home heating applications, or such other quality certification standards as are approved by the division. For industrial and commercial applications, the division may substitute

operational performance requirements that it determines are acceptable.

“Renewable biomass”, non-fossil fuel based material, including: planted crops; crop residues; planted trees and tree residues from sustainably managed forests; waste materials including animal waste, animal byproducts, organic portions of municipal solid waste, grease trap waste, construction and demolition debris; and algae, or as otherwise determined by the division in consultation with the department and the executive office of energy and environmental affairs.

“Waste feedstock”, previously used or discarded solid, liquid or contained gaseous material with heating value resulting from industrial, commercial, or household food service activities that would otherwise be stored, treated, transferred or disposed. Waste feedstock shall include but not be limited to waste vegetable oils, waste animal fats, substances derived from wastewater and the treatment of wastewater, or grease trap waste. Waste feedstock shall not include petroleum-based waste or waste that otherwise meets the definition of hazardous waste, unless otherwise determined by the department.

(2) Manufacturers and wholesale distributors of petroleum distillate substitute fuel who seek to have their fuel classified as eligible petroleum distillate substitute fuel shall provide documentation satisfactory to the division that such fuel yields at least a 50 per cent reduction in lifecycle greenhouse gas emissions per unit of delivered energy, in comparison to the petroleum distillate fuel displaced.

In determining the percentage lifecycle greenhouse gas reductions achieved by particular fuels, the division, in consultation with the department and the executive office of energy and environmental affairs, shall utilize information and best practices available from other sources, including other states, the federal government, foreign governments, academic research and private and non-profit organizations.

If the division, in consultation with the department and the executive office of energy and environmental affairs, determines through an initial review that a particular waste feedstock will clearly yield at least a 50 per cent lifecycle greenhouse gas reduction, is free of hazardous materials and hazardous waste, and meets any other conditions set by regulations promulgated by the division, the division may exempt fuel produced from such a material from a full lifecycle greenhouse gas emissions analysis.

For supplies that the division determines meet the criteria above for reductions in greenhouse gas emissions, the division shall certify the supplies as eligible petroleum distillate substitute fuel and shall provide documentation or certificates to suppliers of such fuel showing the number of gallons of neat eligible petroleum distillate substitute fuel supplied. The division shall, by regulation, determine which suppliers the documentation shall apply to, and shall create a mechanism for tracking such supplies.

(3) Except as provided in paragraph (4), the following shall apply to all number 2 petroleum distillate fuel and all other liquid fuel sold as a substitute for number 2 distillate fuel, offered for sale to end-users, retail sellers, or to any other entity that will be

providing such fuel directly to end-users in the commonwealth for use in residential, commercial, or industrial heating applications. Such fuel must contain at least 2 per cent eligible petroleum distillate substitute fuel, measured by available energy content or as otherwise provided by the division, no later than July 1, 2010. Except as provided in subsection (4), all such fuel must contain at least 3 per cent eligible petroleum distillate substitute fuel no later than July 1, 2011, 4 per cent eligible petroleum distillate substitute fuel no later than July 1, 2012, and 5 per cent eligible petroleum distillate substitute fuel no later than July 1, 2013.

The division shall study the feasibility of applying the percentage requirements above to number 4 and number 6 petroleum distillate fuel, including whether blends of eligible petroleum distillate substitute fuel with number 4 or number 6 petroleum distillate fuel will operate correctly in applicable heating equipment. If the division determines that doing so is feasible, it shall extend the percentage requirements above to number 4 and number 6 petroleum distillate fuel.

The division may delay these implementation dates for the period of time which it determines, in consultation with the department of environmental protection and the executive office of energy and environmental affairs, that providing sufficient supplies of the required eligible petroleum distillate substitute fuel to end-use consumers is not feasible due to lack of supply, lack of blending facilities, or unreasonable cost. If the division delays implementation as provided in the preceding sentence, the commissioner shall file a report within 30 days of such decision with the clerks of the house of representatives and senate who shall forward the same to the house and senate committees on ways and means, the joint committee on telecommunications, utilities and energy, the joint committee on environment, natural resources and agriculture and the joint committee on transportation explaining the reasons for any such decision to delay implementation.

If a low carbon fuel standard, or a similar standard or system, that will achieve equal or greater reductions in greenhouse gas emissions to the minimum content requirement for eligible petroleum distillate substitute fuel specified by this section, is adopted by the commonwealth, or a standard applying to the commonwealth is adopted by the United States government; then at least 60 days prior to the effective date of the standard the department of environmental protection shall submit a statement to the general court that the standard will become effective on the particular date, and the department's determination that the standard will achieve the specified reduction in emissions. If the general court takes no action, the minimum content requirement specified by this section shall expire on the date that the regulations implementing the standard or system become effective, or at such other date specified by the division, but in any case within 1 year of implementation of the regulations. If the division chooses an expiration date other than the effective date of the regulations it shall submit a statement to the general court explaining its reasons for doing so.

(4) The division, in consultation with the department and the executive office of energy

and environmental affairs, shall study the feasibility, benefits, and costs, including benefits and costs to consumers, producers, and the state government, of making the percentage mandates in subsection (3) apply on a statewide average basis rather than for every gallon of petroleum distillate fuel sold for heating purposes in the state. If the division determines that such a system is feasible and that its benefits substantially exceed its costs, the division shall have the authority to implement such a system. The division shall determine on which entities the percentage requirements shall be applied. If the division implements such a system, the division shall promulgate regulations allowing and tracking sales of certificates or other documentation from the division that show use of eligible petroleum distillate substitute fuel in the commonwealth. Entities may meet their percentage requirements for use of eligible petroleum distillate substitute fuel by purchasing certificates or other documentation, and such certificates may be re-sold.

(5) Manufacturers and wholesale distributors of eligible petroleum distillate substitute fuel, and of fuel blended from petroleum distillate and eligible petroleum distillate substitute, doing business in the commonwealth shall furnish samples of such products to the division, shall permit the entry and inspection by the division or the department of the premises of such manufacturers or distributors, and the inspection and sampling of fuel stored thereon.

(6) Manufacturers of eligible petroleum distillate substitute fuel that is sold in the commonwealth shall meet quality assurance criteria or accreditation requirements determined by the division, in consultation with the department. Manufacturers shall submit documentation of this quality assurance or accreditation to the division by November 1, 2009, or at least 3 months prior to the date on which the division certifies their fuel as eligible petroleum distillate substitute fuel, and shall submit documentation to the division showing that their accreditation remains current every 2 years thereafter.

(7) The division shall evaluate the feasibility and desirability of requiring BQ-9000 or other comparable accreditation requirement for producers and wholesale distributors of petroleum distillate substitute fuel and petroleum distillate fuel blended with petroleum distillate substitute fuel operating in the commonwealth. If the division concludes that such accreditation is feasible and desirable in order to protect consumers and the environment, the division shall promulgate regulations to implement an accreditation requirement.

(8) The division shall promulgate regulations to implement the provisions of this section.

(9) No person shall sell or offer to sell petroleum distillate heating fuel in the commonwealth, including eligible petroleum distillate substitute fuel that does not conform to the provisions of this section.

(10) Notwithstanding section 249H, failure to comply with subsection (9) of this section shall constitute an unfair or deceptive act under chapter 93A, and may be enforced as provided therein.

SECTION 3. Said chapter 94 is hereby further amended by inserting after section 295G the following section:—

Section 295G½. (1) As used in this section, the following terms shall have the following meanings:-

“BQ-9000”, the national biodiesel accreditation program for producers and marketers of biodiesel fuel, operated by the national biodiesel accreditation commission.

“Commissioner”, the commissioner of the division of energy resources.

“Department”, the department of environmental protection within the executive office of energy and environmental affairs.

“Diesel substitute fuel”, fuel that is derived predominantly from renewable biomass; that meets American Society for Testing and Materials specifications for use in diesel engines, or that meets such other quality certification standards as are approved by the division for the application involved. For diesel substitute fuel used in on-road motor vehicles, the fuel shall meet the registration requirements for fuels and fuel additives established by the United States environmental protection agency under section 211C of the Clean Air Act, 42 USC section 7545.

“Division”, the division of energy resources.

“Eligible diesel substitute fuel”, diesel substitute fuel that yields at least a 50 per cent reduction in lifecycle greenhouse gas emissions relative to average emissions for petroleum-based diesel fuel sold in 2005, as determined by the division in consultation with the department and the executive office of energy and environmental affairs.

“Feedstock”, the raw material used to produce a fuel.

“Lifecycle greenhouse gas emission”, the aggregate quantity of greenhouse gas emissions, including direct emissions and significant indirect emissions such as significant emissions from land use changes, as determined by the division in consultation with the department and the executive office of energy and environmental affairs, related to the full fuel lifecycle, including all stages of fuel and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished fuel to the ultimate consumer, where the mass values for all greenhouse gases are adjusted to account for their relative global warming potential.

“Low carbon fuel standard”, a legal requirement that the average lifecycle greenhouse gas emissions attributable to use of energy in an economic sector are equal to or below a specified numeric level, or a similar standard or system, such as the requirement contained in California Executive Order S-1-07. The level may be stated as units of greenhouse gas emissions per unit of delivered energy, corrected for differences in the efficiency of the energy in the particular end use; for example the difference between efficiency of a gasoline engine and an electric motor in powering a vehicle. The standard may apply to energy used in motor vehicles or to another energy-consuming sector.

“Renewable biomass”, non-fossil fuel based material, including: planted crops; crop residues; planted trees and tree residues from sustainably managed forests; waste materials including animal waste, animal byproducts, organic portions of municipal solid waste, grease trap waste, construction and demolition debris; and algae, or as otherwise determined by the division in consultation with the department and the executive office of energy and environmental affairs.

“Waste feedstock”, previously used or discarded solid, liquid or contained gaseous material with heating value resulting from industrial, commercial, or household food service activities that would otherwise be stored, treated, transferred or disposed. Waste feedstock shall include but not be limited to waste vegetable oils, waste animal fats, substances derived from wastewater and the treatment of wastewater, and grease trap waste. Waste feedstocks shall not include petroleum-based waste or waste that otherwise meets the definition of hazardous waste, unless otherwise determined by the department.

(2) Manufacturers and wholesale distributors of diesel substitute fuel doing business in the commonwealth who wish to have their fuel classified as eligible diesel substitute fuel shall provide documentation satisfactory to the division that such fuel yields at least a 50 per cent reduction in lifecycle greenhouse gas emissions per unit of delivered energy, in comparison to the petroleum-based diesel fuel displaced.

In determining the percentage lifecycle greenhouse gas reductions achieved by particular fuels, the division, in consultation with the department of environmental protection and the executive office of energy and environmental affairs, shall utilize information and best practices available from other sources, including state governments, the United States environmental protection agency, interstate organizations, academic researchers, national governments, and the European Union.

If the division, in consultation with the department and the executive office of energy and environmental affairs, determines through an initial review that a particular waste feedstock will clearly yield at least a 50 per cent lifecycle greenhouse gas reduction, is free of hazardous materials and hazardous waste, and meets any other conditions set by regulations promulgated by the division, the division may exempt fuel produced from such a material from a full lifecycle greenhouse gas emissions analysis.

For supplies that the division determines meet the criteria above for reductions in greenhouse gas emissions, the division shall, by regulation, certify the supplies as eligible

diesel substitute fuel and shall provide documentation or certificates to suppliers of such fuel showing the number of gallons of neat eligible diesel substitute fuel supplied. The division shall, by regulation, determine which suppliers the documentation shall apply to, and create a mechanism for tracking such supplies.

(3) Except as provided in subsection (4), the following shall apply to all diesel motor vehicle fuel and all other liquid fuel used in motor vehicle diesel engines, offered for sale to end-users, retail sellers, or to any other entity that will be providing such fuel directly to end-users in the commonwealth for use in transportation. All such fuel must contain at least 2 per cent eligible diesel substitute fuel, measured by available energy content or in such other manner as determined by the division no later than July 1, 2010. Except as provided in subsection (4), all such fuel must contain at least 3 per cent eligible diesel substitute fuel no later than July 1, 2011, 4 per cent eligible diesel substitute fuel no later than July 1, 2012, and 5 per cent eligible diesel substitute fuel no later than July 1, 2013.

The division may delay these implementation dates for the period of time which it determines, in consultation with the department and the executive office of energy and environmental affairs, that providing sufficient supplies of the required eligible diesel substitute fuel to end-use consumers is not feasible due to lack of supply, lack of blending facilities, or unreasonable cost. If the division delays implementation as provided in the preceding sentence, the commissioner shall file a report within 30 days of such decision with the clerks of the house of representatives and senate who shall forward the same to the house and senate committees on ways and means, the joint committee on telecommunications, utilities and energy, the joint committee on environment, natural resources and agriculture and the joint committee on transportation explaining the reasons for any such decision to delay implementation.

If a low carbon fuel standard, or a similar standard or system, that will achieve equal or greater reductions in greenhouse gas emissions to the minimum content requirement specified by this section is adopted by the commonwealth, or a standard applying to the commonwealth is adopted by the United States government, then at least 60 days prior to the effective date of the standard the department shall submit a statement to the general court of the commonwealth that the standard will become effective on the particular date, and the department's determination that the standard will achieve the specified reduction in emissions. If the general court takes no action, the minimum content requirement specified by this section shall expire on the date that the regulations implementing the standard or system become effective, or at such other date specified by the division, but in any case within 1 year of implementation of the regulations. If the division chooses an expiration date other than the effective date of the regulations it must submit a statement to the general court explaining its reasons for doing so.

(4) The division, in consultation with the department and the executive office of energy and environmental affairs, shall study the feasibility, benefits, and costs, including benefits and costs to consumers, producers, and the state government, of making the percentage mandates in subsection (3) apply on a statewide average basis rather than for every gallon of diesel motor fuel sold in the state. If the division implements such a

system, the division shall promulgate regulations allowing and tracking sales of certificates or other documentation from the division that show use of eligible diesel substitute fuel in the commonwealth. Entities may meet their percentage requirements for use of eligible diesel substitute fuel by purchasing certificates or other documentation, and such certificates may be re-sold.

(5) Manufacturers and wholesale distributors of eligible diesel substitute fuel, and of fuel blended from petroleum diesel and eligible diesel substitute, doing business in the commonwealth shall furnish samples of such products to the division, shall permit the entry and inspection by the division and department of the premises of such manufacturers or distributors, and the inspection and sampling of fuel stored thereon.

(6) Manufacturers of eligible diesel substitute fuel that is sold in the commonwealth must meet quality assurance criteria or accreditation requirements determined by the division, in consultation with the department. Manufacturers must submit documentation of this quality assurance or accreditation to the division by November 1, 2009, or at least 3 months prior to the date on which the division certifies their fuel as eligible diesel substitute fuel, and must submit documentation to the division showing that their accreditation remains current every 2 years thereafter.

(7) The division shall evaluate the feasibility and desirability of requiring BQ-9000 or other comparable accreditation requirement for producers and wholesale distributors of diesel substitute fuel and petroleum-based motor fuel blended with diesel substitute fuel operating in the commonwealth. If the division concludes that such accreditation is feasible and desirable in order to protect consumers and the environment, the division shall promulgate regulations to implement an accreditation requirement.

(8) The division shall promulgate regulations to implement the provisions of this section.

(9) No person shall sell or offer to sell in the commonwealth heating fuel, including eligible diesel substitute fuel, that does not conform to this section.

(10) Notwithstanding section 249H, failure to comply with subsection (9) shall constitute an unfair or deceptive act under the provisions of chapter 93A, and may be enforced as provided therein.

SECTION 4. The division of energy resources, in consultation with the department of revenue, shall promulgate regulations concerning the timing and form of documentation that will enable the department to determine the appropriate tax revenue to be collected pursuant to this act.

SECTION 5. There is hereby established a special commission to study the feasibility and effectiveness of various forms of incentives to promote the development and use of advanced biofuels in the commonwealth including, but not limited to: production credits, the production and harvesting of woody biomass or woody residue, feedstock incentives and direct consumer credits for the use of advanced biofuels in various

applications. The commission shall be comprised of 11 members: 3 of whom shall be appointed by the speaker of the house of representatives, 1 of whom shall be the house chair of the joint committee on telecommunication, utilities and energy, who shall serve as co-chair; 1 of whom shall be appointed by the house minority leader; 3 of whom shall be appointed by the senate president, 1 of whom shall be the senate chair of the joint committee on telecommunication, utilities and energy, who shall serve as co-chair; 1 of whom shall be appointed by the senate minority leader; and 3 of whom shall be appointed by the governor, 1 of whom shall be the secretary of the executive office of energy and environmental affairs, or his designee, and 1 of whom shall be employed by a company that works in the field of advanced biofuels. In conducting its investigation and study, the commission shall consider biofuel incentive programs in other states and the commonwealth's relative competitiveness in the field.

The commission shall report to the general court the results of its investigation and study and its recommendations, if any, together with drafts of legislation necessary to carry its recommendations into effect, by filing the same with the clerks of the house of representatives and the senate, who shall forward the same to the joint committee on telecommunications, utilities and energy and the house and senate committees on ways and means on or before March 31, 2009.” ; and by inserting before the enacting clause the following emergency preamble:- “Whereas, The deferred operation of this act would tend to defeat its purpose, which is to provide forthwith for the immediate production and use of clean biofuels to reduce oil dependence and greenhouse gas emissions in the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

SECTION 5A. The governor and the secretary of energy and environmental affairs shall develop and enter into, to the extent possible, an agreement among those states participating in the Regional Greenhouse Gas Initiative, for the purpose of implementing a low carbon fuel standard, or “LCFS”, for transportation fuels; provided, however, that when possible:

- 1) the LCFS shall be measured on a full fuels cycle basis;
- 2) the LCFS may be met through market-based methods by which providers exceeding the performance required by an LCFS shall receive credits that may be applied to future obligations or traded to providers not meeting the LCFS;
- 3) the agreement shall establish a declining standard for greenhouse gas emissions measured in CO₂-equivalent grams per unit of fuel energy sold, sufficient to achieve a 10 per cent reduction in the carbon content of all passenger vehicle fuels sold in participating states; and
- 4) the commonwealth shall, with the other states participating in the agreement, shall examine the regulations and implementation of a low carbon fuel standard in California and other states and consider ways to coordinate and issue public findings on both such matters, and shall, if applicable, use in the agreement the life-cycle analysis methods employed by the California Air Resources Board to determine the carbon intensity of fuel.

SECTION 5B. There shall be a special commission to investigate and develop a strategy

to increase the use of advanced biofuels as alternatives to conventional carbon-based fuels by the commonwealth, its agencies and political subdivisions and regional transit authorities.

The Commission shall consist of the secretary of Administration and Finance or his designee, the secretary of energy and environmental affairs, who shall serve as the chair, the commissioner of energy resources, the director of telecommunications and energy, the commissioner of revenue or his designee, the general manager of the Massachusetts Bay Transportation Authority or his designee, and 6 members to be appointed by the governor 2 of whom shall represent the Massachusetts Municipal Association, 2 of whom shall represent regional transit authorities 1 of whom shall represent environmental organizations in the commonwealth and 1 of whom shall represent suppliers of motor fuels in the commonwealth.

The commission shall develop strategies to increase the use of advanced biofuels by the commonwealth, its agencies and political subdivisions and regional transit authorities and methods to advance those strategies. Methods to be considered shall include, but not be limited to, financing mechanisms including grants, loans and other incentive programs for group procurement of advanced biofuels, vehicles utilizing advanced biofuels and distribution infrastructure and technical assistance.

The Commission shall file a report detailing its strategies and methods and its recommendations, if any, and cost estimate together with drafts of legislation necessary to carry those recommendations into effect by filing the same with the clerks of the senate and house of representatives not later than 8 months following the effective date of this act.

SECTION 6. Section 1 shall be effective for tax years beginning January 1, 2009 and ending December 31, 2017.”