

Accompanying the second recommendation of the Executive Office of Energy Resources (House, No. 84). Energy.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Two.

AN ACT PROVIDING FINANCING INCENTIVES FOR COGENERATION, SMALL POWER PRODUCTION FACILITIES, AND INDUSTRIAL ENERGY-CONSERVATION.

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. *Declaration of Policy.* It is hereby declared that,
2 for the benefit of the people of the commonwealth and the increase
3 of their commerce, welfare and prosperity, the commonwealth
4 should seek to increase the diversification of power and fuel
5 sources, the conservation of energy in industrial facilities and that,
6 to this end, it would promote the construction and operation of
7 cogeneration facilities and small power production facilities and
8 the installation of energy-conservation facilities and facilities de-
9 signed to reduce consumption of petroleum products; that such
10 facilities are not subject to, or reduce, the severe diminishment of
11 future resources which currently discourages unsupplemented
12 long-term reliance on petroleum products; that the continuing
13 increase in the cost of energy is a basic factor tending to create
14 structural economic weaknesses in the commonwealth, contribut-
15 ing to unemployment and underemployment; that power produced
16 by cogeneration and small power production facilities is not direct-
17 ly susceptible to, or would moderate, the rapidly escalating pro-
18 duction expenses attributable to the high cost of additional elec-
19 tricity production capacity and to dependence on a diminishing
20 fuel source and, therefore, may be of significant value in moderat-
21 ing future increases in the costs of energy, including electricity in
22 the commonwealth; that such facilities are not destructive of the

23 natural environment but can exist harmoniously with natural forces
24 currently untapped by productive human enterprise, or are
25 incidental to such enterprise; and that it is the purpose of this act to
26 provide financing incentives for the construction or installation
27 and operation of cogeneration facilities, small power production
28 facilities, energy-conservation facilities and facilities designed to
29 reduce consumption of petroleum products, all to the public benefit
30 and good, to the extent and in the manner provided herein.

1 SECTION 2. Section one of chapter 40D of the General Laws,
2 as heretofore amended, is amended by inserting after subsection (c)
3 the following new subsection:

4 (c-1/2) "Cogeneration facility", as defined in section 1 of chapter
5 164.

1 SECTION 3. Section one of said chapter 40D, as heretofore
2 amended, is amended by inserting after the first sentence of subsection
3 (1) thereof the following new sentence:

4 Industrial enterprise shall also include an enterprise primarily or
5 incidentally engaged in cogeneration by means of cogeneration
6 facilities or in production of electric energy by means of small
7 power production facilities.

1 SECTION 3. Section one of said chapter 40D, as heretofore
2 amended, is amended by inserting in subsection (m) thereof, after
3 the words "approaches, roadways" and before the words "and
4 other facilities necessary or desirable", the following new phrases:
5 energy conservation facilities, facilities designed to reduce consumption
6 of petroleum products.

1 SECTION 5. Section one of said chapter 40D, as heretofore
2 amended, is amended by inserting after subsection (q) the following
3 new subsection:

4 (q-1/2) "Small power production facility", as defined in section 1
5 of chapter 164.

1 SECTION 6. Section seven (c) of said chapter 40D, as heretofore
2 amended, is amended by deleting the word "and" immediately

- 3 preceding the phrase “(iii) solid waste disposal facilities” and ad-
4 ding after such phrase the following new clauses:
5 (iv) small power production facilities; and
6 (v) cogeneration facilities.

1 SECTION 7. Section twenty-three of said chapter 40D, as here-
2 tofore amended, is amended by inserting, after the phrase “a
3 project for pollution control facilities” therein, the phrase “cogen-
4 eration facilities or small power production facilities” and by delet-
5 ing the words “pollution control” appearing as the second and
6 third words from the end of such section.

