
OLR Bill Analysis

sSB 884

AN ACT REDUCING TRANSPORTATION-RELATED CARBON EMISSIONS.

SUMMARY

This bill requires the Department of Energy and Environmental Protection (DEEP) to adopt regulations implementing the Transportation and Climate Initiative Program (TCI-P, see BACKGROUND) to cap and reduce transportation-related greenhouse gas (GHG) emissions. Among other things, the regulations must establish a declining cap on these GHG emissions and auction, reserve, or set aside emissions allowances. The bill allows DEEP to use a contractor or agent to administer the program.

Under the bill, DEEP and the Department of Transportation (DOT) must spend auction proceeds on strategies to reduce GHG emissions and transportation-related air pollution, and at least 50% of these investments must benefit communities that DEEP and DOT determine are overburdened by air pollution or underserved by the transportation system (i.e., underserved or overburdened communities). The bill establishes the Equity and Environmental Justice Advisory Board to advise DOT and DEEP and requires that at least half its members be residents of these communities.

The bill also requires DOT and DEEP to report how they spend the money and provide opportunity for public comment.

EFFECTIVE DATE: Upon passage, except the conforming change is effective July 1, 2021.

TCI-P REGULATIONS

Under the bill, the regulations DEEP adopts must:

1. establish a declining cap on GHG emission from transportation

- and auction, reserve, or set aside emissions allowances;
2. require submission of information as necessary to implement the program;
 3. monitor and require program compliance verification;
 4. enforce the program's requirements; and
 5. carry out the program's functions and further its purposes.

The regulations may include provisions to cover the reasonable administrative costs associated with TCI-P implementation, including (1) engaging with overburdened or underserved communities and (2) funding assessment and planning of emission reduction and climate change mitigation measures. The regulations may also cover the reasonable administrative costs associated with state agencies adopting regulations, plans, and policies under the state's GHG reduction law. The costs are capped at 5% of the total annual projected allowance value.

AUCTION PROCEEDS

Deposit of Proceeds

The bill requires emissions auction proceeds to be deposited into a Transportation and Climate account within the Transportation Grants and Restricted Accounts Fund (TGRAF). By law, this fund must contain all transportation money that (1) is restricted, not available for general use, and (2) was previously accounted for in the Special Transportation Fund (STF) as "Federal and Other Grants" (CGS § 13b-68(c)).

The bill further specifies that auction proceeds are not considered pledged revenue of the TGRAF under the law directing certain funds to the STF (CGS § 13b-61). Funds directed to the STF under this law are used to secure special tax obligation bonds for transportation projects (CGS § 13b-75).

Use of Proceeds

Beginning with FY 22, the bill requires DOT and DEEP, with the Office of Policy and Management secretary's approval, to annually invest auction proceeds in strategies designed to reduce GHG emissions and transportation-related air pollution. At least 50% of the proceeds must be invested in a manner designed to ensure that overburdened or underserved communities benefit from transportation projects and policies that reduce emissions from transportation sources.

Annual Report

Starting by October 1, 2024, DEEP and DOT must annually publish on their websites a report of TCI-P proceeds and investments, including the equitable investment of the proceeds. DEEP and DOT must annually provide the public an opportunity to review and comment on the program.

EQUITY AND ENVIRONMENTAL JUSTICE ADVISORY BOARD

The bill establishes an Equity and Environmental Justice Advisory Board to (1) advise DEEP and DOT on decision making and equitable outcomes for the program and (2) facilitate input from underserved and overburdened communities on reducing air pollution and improving the transportation system.

Under the bill, the commissioners must jointly determine the number of board members and select stakeholders to serve as members. A majority of the members must be residents of underserved and overburdened communities. The bill also allows the commissioners to establish rules, procedures, and guidelines for the board's operation.

BACKGROUND

Transportation and Climate Initiative (TCI)

TCI is a regional collaborative of 12 mid-Atlantic and northeastern states and the District of Columbia. Its purpose is to improve transportation, develop the clean energy economy, and reduce carbon emissions from transportation. In December 2020, four jurisdictions (Connecticut, the District of Columbia, Massachusetts, and Rhode

Island) signed a memorandum of understanding to implement a cap and invest program called the Transportation and Climate Initiative Program (TCI-P).

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 21 Nay 11 (03/31/2021)