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CITY OF BOSTON

Testimony presented to the Joint Committee on Telecommunications, Utilities and Energy

Re: Support for *An Act Establishing Natural Gas Infrastructure Improvement Financing*

(H.2990) filed by Representative Martha Walz

June 11, 2013

- Chairman Downing, Chairman Keenan, and members of the committee. Thank you for the opportunity to testify today. My name is Brian Swett and I am the Chief of Environment and Energy for the City of Boston.
- I am here to testify in support of H2990 – An act establishing natural gas infrastructure improvement financing – filed by former Representative Marty Walz. This bill will help tackle the problem of natural gas leaking from our underground infrastructure.
- Grade 3 natural gas leaks are defined as non-hazardous when detected and reasonably expected to remain non-hazardous. While not posing an immediate health and safety threat, Grade 3 natural gas leaks contribute to Boston’s greenhouse gas emissions, particularly of methane, the primary constituent of natural gas.
- The greenhouse gas, methane is over 20 times more potent than carbon dioxide. This means that even a relatively small amount of leaked natural gas can quickly approach the greenhouse gas contribution of the much larger amount of natural gas that is burned.
- Unfortunately, there is a considerable range in estimates of the actual amount of natural gas that leaks from the distribution systems within Boston and Massachusetts.

Research on the prevalence of natural gas leaks in Boston has appeared in the past year, but we still lack good numbers of the actual volume of leaked gas.

- Natural gas burned in buildings accounts for about 20 percent of Boston’s greenhouse gas emissions. This inventory does not include any contribution from natural gas leaks, but we are working to incorporate them. Even the low end of the estimated range of leaks indicates that they are an important source.
- The Boston community—like the Commonwealth—has a goal of reducing its annual greenhouse gas emissions 25 percent by 2020, and we need better data and more action on natural gas leaks to ensure that we are on track to meet this goal.
- High-volume Grade 3 leaks must be included in repair, maintenance, and capital plans. H2990 would direct the Department of Public Utilities to establish a funding mechanism and program for natural gas utilities to replace pipes with Grade 3 leaks.
- Under this bill, funds collected by DPU would operate like a “systems benefit charge”—a small additional fee on all gas purchases—to be dedicated to infrastructure improvement financing, specifically for debt service on natural gas leak reduction projects. This is a sensible and sustainable solution to an urgent problem that we need to take action on.
- The City of Boston also supports policy changes reflected in other bills being heard today that:
 1. Require that the *volume* of a leak - not just the Grade - be taken into account for repair, maintenance, and capital plans.
 2. Ensure more robust, accurate monitoring of gas leaks and public disclosure of total leaked volumes.
 3. And establish clearer timelines for the repair of leaks.

- Some of the bills under consideration today discuss financing mechanisms for natural gas expansion. The City of Boston supports expansion of the natural gas distribution network, especially to facilitate the development of district energy facilities and expansion of combined heat and power plants. However, while we expand our capacity, we also must ensure that there is accountability for the quality of the infrastructure and that our current pipelines are well-maintained.
- I feel strongly that we need legislation to move forward quickly that effectively reduces the natural gas leaks in Boston and throughout the state. I urge the committee to report H2990 out with a favorable recommendation.
- I would be happy to answer any questions. Thank you.