

MA CDRLA

Massachusetts Carbon Dioxide Removal Leadership Act S.2096



SUMMARY

The **Carbon Dioxide Removal Leadership Act (CDRLA)** is new legislation that will establish a state-administered annual **carbon dioxide removal procurement** commitment.

KEY ELEMENTS

- ☐ Creates a competitive MA state procurement program to accelerate and scale long-duration carbon removal.
- ☐ Annual purchases are based on quality and impact standards, and co-benefit and equity considerations.
- ☐ Complements - and DOES NOT REPLACE - existing and future emissions reductions and resilience commitments.

POLICY RATIONALE

The most recent assessment from the Intergovernmental Panel on Climate Change (IPCC) makes it explicitly clear that limiting global temperature change to 1.5 C cannot be achieved without removing significant amounts of carbon dioxide from the atmosphere.

By the middle of this century global carbon dioxide removal (CDR) capacity must reach billions of tons per year. Achieving this essential objective will require rapid deployment, cost reduction, and scale-up of multiple high-impact CDR solutions starting today.

The public sector is in a unique position to facilitate this scaling as an early and consistent purchaser of CDR services. This includes many climate-forward states that today already lead the nation in setting specific emissions reductions and resiliency targets. As an early procurer of CDR services states can **a.) drive down CDR costs, b.) create an additional means to achieve existing climate commitments, and c.) set the stage for new economic opportunities, jobs and industry formation.**

POLICY COMPONENTS

- 1. AN ANNUAL CAPPED REVERSE AUCTION.** A fiscally sound carbon removal demand policy must incorporate market-based mechanisms that contain public costs, and select for the most economically, technically and socially effective options. The CDRLA implements an annual reverse auction that sets maximum buying prices, and forces bidders to compete on price. Maximum price ‘caps’ decline annually to reflect real solution cost reductions, and to limit fiscal impact.
- 2. STANDARDS BASED AND METHOD AGNOSTIC.** Auction selection criteria will not be limited to predetermined CDR

pathways or methods. (Except that projects “[shall not incorporate enhanced oil recovery or otherwise facilitate the extraction, refinement or delivery of fossil fuel energy.](#)”) Rather project selection will be based on *standards* that select for quality and impact. In this way, the CDRLA will continuously accommodate and propel new carbon removal innovations as they reach market-readiness.

- 3. MULTIVARIABLE SELECTION CRITERIA PROMOTING COMMUNITY, EQUITY AND ECOLOGICAL CO-BENEFITS; AND IN-STATE PROJECTS.** Cost will be a critical auction selection factor, but not the only factor. The CDRLA’s multivariable procurement scorecard framework will award selection advantage to projects that are located in-state; demonstrate clear economic and social co-benefits to local communities (including good-paying union jobs); and/or advance ecological protection and restoration. Projects that demonstrate potential harm to communities and ecosystems will be categorically disqualified from consideration.

4. MULTIPLE PROJECT TYPES, PARTNERSHIPS AND SCALES.

Diversifying and democratizing CDR is critical to its ultimate scale up, and is an underpinning of equitable outcomes. Therefore CDRLA will achieve annual CDR procurement targets through diverse project portfolios that will reflect a variety of solution types, scales, and business and partnership models, including community-led initiatives.

5. COMMUNITY INPUT & CONSULTATION AT EVERY PHASE.

A successful CDRLA procurement program will be co-created by the communities where carbon removal will be realized in the future. And not just at the project stage, but earlier during the auction program design and development phase. The state will a.) complete regional community consultation and input exercises throughout the state during the rulemaking and pre-implementation phase and b.) formulate mandatory community input and acceptance methodologies and protocols that must be executed by CDR project proposers as a component of bid submission and review.

6. BUDGET AUTHORIZED FOR 5-YEAR TRIAL PERIOD.

The CDRLA is budget authorized for an initial 5 years (2024-2028). This period affords the state an opportunity to trial, learn and adapt *by doing*, and establishes a clear timeframe for program extension, alternation or suspension by the legislature based on initial program experience and outcomes.

7. FULLY PAID FOR BY REPEAL OF EXISTING SALES TAX EXEMPTION ON AIRCRAFT AND AIRCRAFT REPAIRS.

The annual CDR procurements and all other activities specified by the CDRLA will be fully funded by the repeal of existing sales tax exemptions on aircraft, and aircraft replacement parts and repairs.

RESOURCES

1. [Fact Sheet: Carbon Dioxide Removal \(U.S. DOE\)](#)
2. [The CDR Primer](#)
3. [“Carbon Removal can and Must be Part of the Climate Justice Agenda”](#)