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Energy Newsletter

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NORTHEAST AND MID-ATLANTIC STATES ADOPT THE TRANSPORTATION AND CLIMATE INITIATIVE PROGRAM

On 21 December 2020, the states of Connecticut, Massachusetts, and Rhode Island, and the District of Columbia [signed](#) a [memorandum of understanding](#) (MOU) regarding the implementation of the [Transportation and Climate Initiative Program](#) (TCIP). The TCIP is a multi-jurisdictional collaboration that seeks to improve transportation networks, develop clean energy jobs, and reduce carbon emissions from the transportation sector. The initiative intends to reach these goals through a “cap-and-invest” regime. Under the program, large gasoline and diesel fuel suppliers are required to purchase emissions “allowances.” The sale of emissions allowances is expected to generate US\$300M annually. The revenues will be invested in less carbon-intensive fuels and more resilient transportation methods. For instance, the revenues may also be used to purchase electric school and transit buses, fund electrification of ports and freight facilities, develop interstate electric vehicle charging corridors, or pursue other programs designed to reduce carbon emissions from traditional forms of transportation. The MOU includes a commitment to dedicate a minimum of 35 percent of each jurisdiction's proceeds to social equity goals, such as ensuring that communities underserved by the transportation system and/or most susceptible to the adverse effects of carbon emissions will benefit from clean transportation projects. Eight other states issued a [statement](#) committing to continued cooperation with the TCIP while they pursue state-specific emission reduction strategies.

MASSACHUSETTS LEGISLATURE PASSES NEW CARBON EMISSIONS GOAL

On 3 January 2021, the Massachusetts Senate and House passed legislation to update the Commonwealth's clean energy policy. If enacted, the “Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy” would establish a goal of net zero carbon dioxide emissions by 2050. To reach that goal, the bill sets benchmarks for carbon dioxide emissions to decrease by 50 percent of 1990 levels by 2030 and by 75 percent by 2040. Moreover, the legislation would increase the Massachusetts' Renewable Portfolio Standard by five percent in 2030, and require in-state utilities to purchase an additional 2,400 MW of offshore wide power by that time.

If enacted, Massachusetts would join the coterie of 11 other states that have set net zero carbon emissions standards by 2050.

2021 SEES CONTINUED PUSH FOR BATTERY RECYCLING IN THE NORTH AMERICA

The combination of increased renewable energy deployment, large-scale batteries, and the significant projected growth in global sales of electric vehicles (which are expected to increase from 1.7 million in 2020 to 26 million in 2030) has led to more serious global efforts to recycle materials from spent batteries. Historically, such recycling projects have been located in Asia, but the United States will soon be home to at least two new recycling facilities. The first will be in New York as Canadian firm [Li-Cycle](#) will begin constructing a US\$175M plant in Rochester, New York, later this year. The plant will have an eventual capacity of 25 metric kilotons of input material, making it the largest lithium-ion battery-recycling plant in North America. With that capacity, it is projected to recover 95 percent or more of the cobalt, nickel, lithium, and other valuable elements recycled via a zero-wastewater, zero-emissions process.

The second plant will be in Nevada. In June 2020, [American Battery Technology Company](#) secured land for its first lithium-ion battery recycling plant in Nevada. The company has since selected a contractor to guide it through the construction and permitting process this year. At full capacity, the facility will recycle 20,000 metric tons of feedstock a year.

SANTA MONICA WILL ESTABLISH THE NATION'S FIRST ZERO EMISSIONS DELIVERY ZONE

In February 2021, Santa Monica, California will [unveil](#) the nation's first zero emissions delivery zone pilot program. The objective of the pilot program is to neutralize the carbon footprint of food and parcel deliveries within a designated one square mile zone. To do so, Santa Monica will create up to 20 loading zones out of parking spaces for exclusive use by zero-emission delivery vehicles. Moreover, Santa Monica has partnered with a variety of merchants who have collectively agreed to perform their deliveries via electric vans leased through a truck-sharing service. Other companies, like a manufacturer of an all-electric three-wheeler delivery vehicle that can carry 20 cubic feet of cargo space, are applying to join the pilot as well.

The need for carbon reduction in deliveries has been underscored during the pandemic in Santa Monica—as well as across the nation—where good purchases and food orders are being made online and delivered to each customer's door more than ever.

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