

**MINUTES
MASSACHUSETTS CLEAN ENERGY TECHNOLOGY CENTER
BOARD MEETING**

March 30, 2023

Attendees:

Directors:

Secretary Rebecca Tepper (EEA), Chair
Secretary Yvonne Hao (HED)
Kaitlyn Connors, Designee of Secretary Matthew Gorzkowicz (ANF)
Secretary Lauren Jones (LWD)
Dr. Ramprasad Balasubramanian (Designee of President of the University of
Massachusetts Martin Meehan)
Terry Moran (Executive Director, Massachusetts Workforce Alliance)
Elizabeth Mahony (Commissioner, DOER)
Dr. John Cook (President, Springfield Technical Community College)
Bob Haber (Principal, Proficio Capital Partners)
Lisa Theriault (Manager of Business Development, IBEW Local 103/
National Electrical Contractors Association)
Rear Admiral Francis McDonald (President, Massachusetts Maritime
Academy)
Tom Galvin (Director, RESHydro)

Staff:

Jennifer Daloisio (CEO)
Rachel Perez (CFO and Treasurer)
John Hitt, Esq. (General Counsel and Secretary)
Alexandra Zaltman
Galen Nelson
Shayla Brown-Peddy
Jordan Meier
Elizabeth Cleveland
Emily Pittsley
Leslie Nash
Rhys Webb
Peter McPhee
Beverly Craig
Susan Mlodozeniec
Elizabeth Youngblood
Meg Howard
Lisa Dobbs
Camilla Bacolod
Amy Barad
Carmiya Gale
Elizabeth Zhorov

Meryle Leonard
Mary Bancroft
Tom Chase
Megan Lieu
Kathryn Niforos

Others: Katelyn Kelly (Designee of Secretary Lauren Jones, LWD)
Ashley Stolba, Undersecretary of Economic Development (HED)
Michael Judge, Undersecretary of Energy (EEA)
Melissa Hoffer, Climate Chief (Office of Climate Innovation and Resilience)
Bob Zogg (HeatSmart Alliance)

The one hundred-tenth (110th) meeting of the Massachusetts Clean Energy Technology Center (“MassCEC”) Board of Directors (the “Board”) was held on March 30, 2023 jointly at MassCEC’s office at 294 Washington Street, Boston, MA 02108 and via remote video conference. All participants could hear and be heard by each other throughout the meeting.

Seeing a quorum, Secretary Tepper called the meeting to order at 10:03 am.

I. Adoption of the Meeting Minutes from the February 9, 2023 Meeting of the Massachusetts Clean Energy Center Board of Directors

As the first order of business, the Board reviewed the draft minutes. Upon a motion made by Mr. Galvin and seconded by Dr. Balasubramanian, the following roll call vote was taken at 10:04 am:

Secretary Tepper: yea
Secretary Hao: yea
Commissioner Mahony: yea
Secretary Jones: yea
Admiral MacDonald: yea
Ms. Connors: yea
Ms. Theriault: yea
Mr. Galvin: yea
Dr. Balasubramanian: yea

With 9 yeas and 0 nays it was VOTED, without discussion, at 10:05 am:

To adopt the Meeting Minutes from the February 9, 2023 Meeting of the MassCEC Board of Directors.

II. Update from Chair Secretary Rebecca Tepper and and CEO Jennifer Daloisio

Secretary Tepper began by noting the proposed budget that the Governor filed for the first time includes \$35 million in funding for MassCEC and that a separate supplemental budget proposal filed by the Governor includes an additional \$35 million. Secretary Tepper noted that, taken together, this \$70 million in funding would fulfill the governor's pledge to triple MassCEC's budget. Secretary Tepper noted that the funding through the budget proposal would be used to support MassCEC's workforce development efforts and programming to de-carbonize buildings and transportation. Secretary Tepper noted \$22 million of the \$35 million supplemental budget request is intended to advance the planned expansion of the Wind Technology Testing Center and noted that the outside sections of the supplemental budget request include provisions designating MassCEC the lead agency in the development of the Salem offshore wind port facility.

Jennifer Daloisio, CEO of MassCEC, thanked Secretary Tepper and members of the Board for EEA and the Administration's support for increased funding for MassCEC's critical work to enable the Commonwealth to reach its climate goals. Ms. Daloisio also alerted the Board of the upcoming April 7 application deadline for applications to the U.S. Department of Energy for its Hydrogen Hub program and reminded the Board that MassCEC is partnering in a multi-state consortium being led by NYSERDA to apply for funding for a regional clean hydrogen hub that includes Massachusetts-based projects.

[Mr. Haber joined the meeting at 10:09 am.]

III. Quarterly Financial Reforecast

Ms. Daloisio then introduced Rachel Perez, Treasurer and Chief Financial Officer of MassCEC, to provide an update on the Q2 financial results and reforecast versus the budget for the six months ended December 31, 2022. Ms. Perez reminded the Board that they approve a budget for MassCEC annually in June and MassCEC delivers quarterly updates on its financial results and performance versus the budget quarterly and that the Board reviews the audited financial statements for each fiscal year at its November meeting. Ms. Perez provided a high-level overview of MassCEC's sources and uses of funding and noted key pieces of legislation over the past three years that have provided significant additional funding to MassCEC, including \$12 million in annual funding for workforce development equity programs from the 2021 Climate Bill, \$80 million in funding for offshore wind port infrastructure in the 2021 COVID Relief Bill, and \$100M of additional funding for offshore wind ports infrastructure and an infusion of \$50 million into the Clean Energy Investment Fund from the 2022 Economic Development Bill. Ms. Perez also noted a significant intragovernmental transfer of approximately \$24 million of funding for transportation initiatives that MassCEC received from the Massachusetts Department of Environmental Protection in December 2022. Ms. Perez then highlighted important variances between the budget forecast and actual results, noting that revenues exceeded forecast by over \$179M and awards by over \$97M due to MassCEC receiving and quickly deploying the influx of new sources of one-time funding, and that program operating expenses are expected to be approximately \$1.2 million over budget due to increased staffing needed to support the deployment of new funding. Ms. Perez noted that business unit

operating expenses are forecast to be approximately \$1 million under budget mainly due to lower-than-expected operation and maintenance costs at the New Bedford Marine Commerce Terminal. Ms. Perez also noted an unrealized loss of approximately \$2.8 million in the investment portfolio of MassCEC's trust funds due to a market decline following a prolonged period of significant gains from market appreciation. Ms. Perez reviewed awards noting that Offshore Wind, Transportation and Workforce Development are forecast to be over budget due to deployment of increased funding, while Investments and Technology Development are expected to be under budget due to lower awards. Board members asked several questions, including as to uses of increased funding and the unrealized loss in the trusts' investment portfolio, each of which were answered in the ensuing discussion.

[Mr. Moran joined the meeting at 10:30 am.]

[Secretary Jones left the meeting at 11:15 am, at which point Ms. Kelly assumed responsibilities as Secretary Jones's designee.]

IV. Organizational Metrics

Ms. Daloisio then introduced Elizabeth Kennedy Cleveland, Director of Special Projects, to provide an update on MassCEC's organizational metrics for the first half of FY 2023 ended December 31, 2022. Ms. Daloisio explained that MassCEC tracks key metrics at both the organization-wide level and at the level of its focus areas and programs. Ms. Cleveland explained that metrics are designed to be key performance indications for MassCEC at the organization and program levels. Ms. Cleveland reviewed the five key organizational metrics tracked by MassCEC: private entities impacted, public entities impacted, leveraged funds, avoided carbon dioxide emissions and addressable carbon dioxide emissions and explained what they are intended to measure and why they were selected. Board members noted that several of the key metrics appeared to be trailing in terms of pace toward the annual target and Ms. Cleveland explained that it is typical as measures tend to lag in the first half of the year as activities ramp up and catch up as results flow in during the latter part of the year. Ms. Cleveland then turned the discussion to new diversity, equity and inclusion (DEI) metrics that MassCEC is currently developing for use in FY 2024. Ms. Cleveland indicated MassCEC is proposing to track spending supporting four key areas: Environmental Justice Communities, Gateway Communities, low- and moderate-income populations and DEI programs (e.g. equity workforce). Board members posed several questions, including as to what internal DEI metrics MassCEC is using, how MassCEC balances DEI focus with other priorities and if MassCEC measures impact in terms of emissions other than CO2, each of which was addressed in the ensuing discussion. Board members also stressed the importance of including a DEI focus in MassCEC's work and requested a more in-depth update on MassCEC's DEI-related activities at a future meeting.

V. High Performance Buildings: Strategy, FY24 Authorization, Program Updates (Decarbonization Pathways and EmPower Mass)

Ms. Daloisio then introduced Peter McPhee, Senior Program Director, High Performance Buildings to deliver a presentation on MassCEC's High-Performance Buildings strategy and

programming and to request the Board to authorize funding for MassCEC's High Performance Buildings program for FY 2024. Mr. McPhee provided an overview of the building sector and its impact on emissions and the Commonwealth's path to achieving its climate goals by 2050. Mr. McPhee emphasized the need to ensure that the transition to cleaner buildings does not increase the energy burden on residents, particularly lower income families who already bear a disproportionate burden from high energy costs. Mr. McPhee explained the important role that electrification of buildings will play in reaching the Commonwealth's goals, highlighted the drivers behind the Commonwealth's building de-carbonization goals and strategy and explained MassCEC's process for identifying and designing solutions to overcome barriers to building de-carbonization. Mr. McPhee noted that, due to the longer life cycle for replacing building components, fixtures and appliances, it is critical that residents are informed and viable solutions are available to allow residents to begin transitioning to de-carbonized approaches as natural transition points occur. Mr. McPhee noted that MassCEC is focused on generating solutions, proving them in pilot and demonstration projects and finding ways to scale adoption of proven solutions by building awareness and partnering with public and private sector entities to ramp up deployment including in underserved communities and populations. Mr. McPhee then presented MassCEC's request for \$19.65 million for High-Performance Buildings programs in FY 2024. Mr. McPhee explained that programs will be focused on developing pathways for de-carbonization across additional building typologies, increasing consumer awareness and engagement, increasing access to solutions for Environmental Justice communities and underrepresented groups, developing innovative approaches for financing de-carbonization efforts and supporting the development of new policy initiatives and solutions for harder to de-carbonize sub-sectors and segments. Mr. McPhee then reviewed current and proposed programs to demonstrate how programming is designed to advance these overall objectives. Board members posed several questions about MassCEC's strategy and requested authorization, including the role that the public and private sector will need to play in the de-carbonization efforts, the need for innovative financing approaches and the need to de-carbonize schools, public housing and other government-owned buildings each of which was addressed in the ensuing discussion.

[Secretary Hao left the meeting at 10:43 am and rejoined the meeting at 11:02 am.]

[Mr. Balasubramanian left the meeting at 11:40 am.]

Upon a motion made by Mr. Moran and seconded by Commissioner Mahony, the following roll call vote was taken at 12:00 pm:

Secretary Tepper: yea
Secretary Hao: yea
Commissioner Mahony: yea
Ms. Kelly: yea
Admiral MacDonald: yea
Ms. Connors: yea
Dr. Cook: yea
Ms. Theriault: yea
Mr. Galvin: yea

Mr. Haber: yea
Mr. Moran: yea

With 11 yeas and 0 nays it was unanimously VOTED, without discussion and abstention, at 12:01 pm

To authorize the expenditure of up to \$19,650,000, and further to authorize MassCEC's Chief Executive Officer (i) to enter into contracts and issue individual awards under the program in a manner consistent with the staff memorandum and (ii) to make program modifications, including modifications to award levels, provided that such modifications are consistent with the program goals set forth in the staff memorandum.

Mr. McPhee then introduced Tom Chase, Senior Program Manager, to provide an update on the Building Electrification and Transformation Accelerator (BETA): Decarbonization Pathways program. Mr. Chase began by highlighting metrics and statistics from the High-Performance Buildings programs overall including: the number of EJ communities impacted (58), the community partner organizations (75), addressable sector emissions targeted (72%) and total awards (\$16 million). Mr. Chase then provided the highlights for the BETA: Decarbonization Pathways program, noting that 73 buildings were selected to participate, 64% were LMI participants, the program was over-subscribed by a factor of 12X and \$2.1 million was awarded to fund completion of an assessment, provide a detailed roadmap and implementation plan for whole home decarbonization. Mr. Chase indicated the program is on track to meet all its benchmark metrics. Mr. McPhee then introduced Lisa Dobbs, Program Coordinator, to provide an update on the Empower Massachusetts program, which invests in communities and community-based organizations to develop and implement models to increase access to the benefits of clean energy to residents of underserved communities. Ms. Dobbs indicated through Empower MassCEC has supported 68 different campaigns, 157 community based organization partners and has made over \$5 million in awards to individuals and organizations in underserved communities and is on track to meet all of its performance metrics. Mr. McPhee then introduced Susan Mlodozeniec, Marketing Director, to provide an update on MassCEC's Clean Energy Lives Here campaign to raise awareness of clean energy solutions for residents and increase consumer engagement. Ms. Mlodozeniec used the example of air source heat pumps to demonstrate how Clean Energy Lives Here delivers key information to consumers about actions they can take to transition away from fossil fuel reliance and adopt clean energy solutions. Board members posed several questions to Mr. Chase, Ms. Dobbs, and Ms. Mlodozeniec, including as to the cost and feasibility of clean energy options to consumers, each of which was addressed in the discussion.

[Dr. Cook left the meeting at 12:20 pm.]

[Commissioner Mahoney left the meeting at 12:24 pm.]

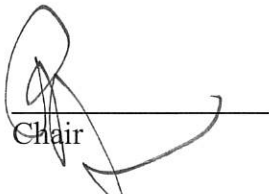
VI. Adjourn.

Upon a motion made by Mr. Galvin and seconded by Mr. Moran, the following roll call vote was taken at 12:29 pm:

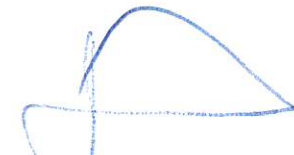
Secretary Tepper: yea
Secretary Hao: yea
Ms. Kelly: yea
Admiral MacDonald: yea
Ms. Connors: yea
Ms. Theriault: yea
Mr. Galvin: yea
Mr. Haber: yea
Mr. Moran: yea

With 9 yeas and 0 nays it was unanimously VOTED, without discussion and abstention,
at 12:30:

To adjourn.



Chair



Secretary

Public Meeting Documents and Exhibits:

Meeting Agenda

PowerPoint Presentation on MassCEC Results Reforecast Board Update Q2 FY23

PowerPoint Presentation on Organizational Metrics FY23_Q1-Q2

PowerPoint Presentation on High Performance Buildings Strategy, FY24 Authorization, and Program Updates

