

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

**June 21, 2022**

**Attendees:**

**Directors:** Secretary Bethany Card (EEA and Chair)  
Ramprasad Balasubramanian (Designee of President of the University of  
Massachusetts Martin Meehan)  
Mark Fuller (Designee of Secretary Mike Kennealy) (HED)  
Dr. John Cook (President, Springfield Technical Community College)  
Terry Moran (Executive Director, Massachusetts Workforce Alliance)  
Tom Galvin (Director, RES Hydro)  
Migdalia Diaz (Designee of Secretary Rosalin Acosta) (LWD)

**Staff:** Jennifer Daloisio (CEO)  
Rachel Perez (CFO and Treasurer)  
John Hitt, Esq. (General Counsel and Secretary)  
Alexandra Zaltman (Chief of Staff)  
Galen Nelson  
Bruce Carlisle  
Shayla Brown-Peddy  
Jade Lu  
Jordan Meier  
Leslie Nash  
Paige Asbury  
Peter McPhee  
Janel Granum  
Fatema Alkhalifa  
Susan Mlodozeniec  
Elizabeth Youngblood  
Lauren Farnsworth  
Rachel Ackerman  
Meg Howard  
Christine Lumbres  
Karl Adrianza  
Amy Barad  
Carla Concha  
Alyssa Vargas  
Heather Roe  
Jessi Duston  
David Wilson  
Kathryn Niforos

Beverly Craig  
Orly Strobel  
Edward Hsieh  
Erica Hines

**Others:** Judy Chang (Undersecretary of Energy)

The one hundred-third (103<sup>rd</sup>) meeting of the Massachusetts Clean Energy Technology Center (“MassCEC”) Board of Directors (the “Board”) was held on June 21, 2022 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 Card called the meeting to order at 10:39 am.

[Due to technological difficulties resulting from a global outage of the Zoom videoconference platform, the meeting was unable to start at the scheduled time. The meeting officially started at 10:39am.]

**I. Adoption of the Meeting Minutes from the May 17, 2022 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. Cook the following roll call vote was taken at 10:41 am:

Secretary Card: yea  
Ms. Diaz: yea  
Mr. Galvin: yea  
Mr. Moran: yea  
Dr. Cook: yea  
Mr. Fuller: yea

With 7 yeas and 0 nays it was VOTED, without discussion, at 10:41 am:

**To adopt the Meeting Minutes from the May 17, 2022 Meeting of the MassCEC Board of Directors.**

**II. Chair and CEO Updates**

Secretary Card provided updates on Governor Baker’s FORWARD Act, an act which includes \$2.3B in American Rescue Plan (ARPA) funds and over \$1.256B in capital bond authorizations. Secretary Card indicated that the Governor, Lieutenant Governor, Secretary Card, and Ms. Daloisio have been discussing the FORWARD Act and all parties have expressed interest in the opportunity for it to gain traction, particularly given the ARPA component.

Secretary Card stressed the importance of working closely with legislative colleagues to get the FORWARD Act across the finish line.

Following Secretary Card's updates, Ms. Daloisio communicated to the Board that in the interest of time she would be sending an email to the Board with her updates as CEO. In her email, Ms. Daloisio indicated she would address recent events and significant program updates.

**III. Corporate: Resolution to Grant Signatory Authority to MassCEC's Chief of Staff**

Ms. Daloisio transitioned to the next topic, indicating that Alexandra Zaltman recently joined MassCEC as Chief of Staff. Ms. Daloisio reminded the Board that Ms. Zaltman has previously served as part of MassCEC's legal team. Additionally, Ms. Daloisio noted that Ms. Zaltman required signature authority relevant to her position to permit MassCEC to operate optimally.

Upon a motion made by Ms. Diaz and seconded by Mr. Galvin the following roll call vote was taken at 10:45 am:

Ms. Card: yea  
Ms. Diaz: yea  
Mr. Galvin: yea  
Dr. Cook: yea  
Mr. Moran: yea  
Dr. Balasubramanian: yea  
Mr. Fuller: yea

With 7 yeas and 0 nays it was unanimously VOTED, without discussion and abstention, at 10:45 am

**To approve the delegation of the Executive Director's signatory authority for MassCEC to Alexandra Zaltman, Chief of Staff.**

**IV. Corporate: Approval of FY23 Budget**

Ms. Daloisio introduced Rachel Perez who presented the FY 2023 Budget Presentation. Ms. Perez explained that the FY 2023 Budget Presentation serves as a planning tool to provide transparency for spending. Ms. Daloisio reminded the Board that approving the FY 2023 budget does not authorize individual programs and activities, which will remain subject to approval by the appropriate signatories. Next, Ms. Perez provided an executive summary, including sources and highlights for MassCEC's budget and revenue. Ms. Perez also provided a summary of program awards and positions over time, with Ms. Daloisio noting that when an award is made, it often takes a number of years for the award to be complete. Next, Ms. Perez provided a high level estimate of where we expect to be in the next five years given what we know now. Ms. Daloisio noted that the five year forecast highlights our need for approval of the Governor's bill and need for further funding. Mr. Hitt noted that the investment income has helped us sustain spending, given the substantial appreciation in the Alternative and Clean Energy Investment

Trust Fund (ACE) and Renewable Energy Trust Fund (RET) because of the current return on investment (ROI), however Mr. Hitt also noted that such ROI is cyclical. Subsequent to the discussion, a number of questions arose regarding the impact of legislation on MassCEC's budget, long-term projections of the systems benefit charge funding of the RET, and Wind Technology Testing Center (WTTC) related revenues. A discussion ensued.

Upon a motion made by Mr. Galvin and seconded by Dr. Cook, the following roll call vote was taken at 11:05 am:

Secretary Card: yea  
Ms. Diaz: yea  
Mr. Galvin: yea  
Dr. Cook: yea  
Mr. Moran: yea  
Dr. Balasubramanian: yea  
Mr. Fuller: yea

With 7 yeas and 0 nays it was unanimously VOTED, without discussion and abstention, at 11:06 am:

**To: (i) approve the Fiscal Year 2023 Budget for the Massachusetts Clean Energy Technology Center as presented to the Board; and (ii) to find that the intended expenditure of funds from the Renewable Energy Trust (the "RET") is consistent with the public purposes and public interests set forth in M.G.L. c. 23J s. 9.**

**V. Corporate: Approval of Annual Transfer from RET to ACE Trust**

Ms. Daloisio transitioned to the next item with a reminder that part of MassCEC's mandate requires that the organization transfer at least five million dollars each year from the RET to the ACE. Both funds assist MassCEC in completing its work. While the RET receives funding through the systems benefit charge, the ACE does not have any funding going into it on a regular basis. Ms. Perez noted that the current transfer amount is now at \$22.7 million, which is increased to be in line with awards.

Upon a motion made by Ms. Diaz and seconded by Secretary Card, the following roll call vote was taken at 11:10 am:

Ms. Card: yea  
Ms. Diaz: yea  
Mr. Galvin: yea  
Dr. Cook: yea  
Mr. Moran: yea  
Dr. Balasubramanian: yea  
Mr. Fuller: yea

With 7 yeas and 0 nays it was unanimously VOTED, without discussion and abstention, at 11:10 am:

**To: (i) authorize the transfer of \$22.7 million from the Massachusetts Renewable Energy Trust Fund (“RET”) to the Massachusetts Alternative and Clean Energy Investment Trust Fund (“ACE”) in order to account for Fiscal Year 2022 ACE spending and to comply with the MassCEC’s enabling legislation; and (ii) to find that the expenditure of said funds from the RET is consistent with the public purposes and public interests set forth in M.G.L. c. 23J s. 9.**

**VI. Corporate: Approval of Compensation Policies**

Ms. Daloisio began the conversation by reminding board members that the compensation committee met last week. Ms. Daloisio stated that MassCEC has put forward a proposal for the organization to target 50% of the market salary range to attract and retain staff. Ms. Daloisio noted that in previous years, MassCEC has targeted slightly below the 50% target. Recently, inflation and labor market conditions have led to MassCEC experiencing significant turnover and difficulty in hiring new staff.

As part of the compensation policies conversation, Ms. Daloisio reminded the Board that in December, the Compensation Committee requested a compensation study for both public and private data, and that the consultant retained to conduct the study is still gathering data on the private sector and the Committee will reconvene in September to review the results of that study. Ms. Daloisio noted that the Committee also met without MassCEC management or staff present to discuss the compensation policies of MassCEC. Following that separate discussion, the Committee invited management and staff to rejoin the meeting and recommended staff consider a fellowship program of two-to-three-years to help MassCEC create a pipeline for future talent.

Ms. Daloisio highlighted the specifics of the compensation policy, noting that this would be an average 3% merit increase for staff, totaling approximately \$136,000 in aggregate across the organization. Ms. Daloisio noted that the Compensation Committee also set the CEO’s merit increase at 3%, commensurate with the average for staff.

Questions arose regarding the compensation study data and its applicability to the renewable energy sector. Ms. Daloisio answered the questions accordingly.

Upon a motion made by Dr. Cook and seconded by Ms. Diaz, the following roll call vote was taken at 11:24 am:

Secretary Card: yea  
Ms. Diaz: yea  
Mr. Galvin: yea  
Dr. Cook: yea  
Mr. Moran: yea  
Dr. Balasubramanian: yea  
Mr. Fuller: yea

With 7 yeas and 0 nays it was unanimously VOTED, without discussion and abstention was VOTED at 11:25 am:

**To approve the compensation policies as recommended by the Compensation Committee and included in the materials.**

## **VII. Corporate: Approval of Greentown Labs Loan Restructuring**

Ms. Daloisio then introduced Mr. Hitt to present a proposal relating to the restructuring of MassCEC's current \$1.5 million loan to Greentown Labs, which had been provided to Greentown in order to facilitate an expansion in 2016 of its Somerville headquarters. Mr. Hitt provided brief background on Greentown and its operations, including its nearly completed \$1,000,000 plus build out of an additional 5,200 square feet of space in its Somerville headquarters. Mr. Hitt explained that the demand for Greentown's services from local start-ups remains very strong and that Greentown plays a vital role in the Massachusetts cleantech innovation ecosystem. Mr. Hitt explained that the restructuring of MassCEC's loan is part of a broader restructuring of its debt obligations that Greentown is undertaking in connection with a reorganization of its corporate structure and conversion to a not-for-profit organization for federal and state tax purposes. Greentown's current indebtedness feature balloon payments coming due in 2023 and 2026 and, anticipating the potential strain that these balloon repayments could impose on its cash flows, Greentown is seeking to restructure its debt obligations while interest rates remain relatively low by historical standards to provide greater financial flexibility and better management of its cash flows. As part of the restructuring, Greentown will repay MassCEC in full accrued interest in the amount of approximately \$541,053 and \$1,500,000 of principal on its existing loan. Concurrently, MassCEC will extend a new \$1,000,000 subordinated loan to Greentown Collaborative. Concurrently, with the restructuring of MassCEC's existing loan, Greentown will enter into a \$4,250,000 term loan with a new senior lender, OceanFirst Bank, (the "New Senior Lender") and will use the proceeds of the New Senior Loan to repay MassCEC's existing loan and the existing loan with Greentown's current senior lender, Rockland Trust. Mr. Hitt indicated that, as with the existing MassCEC loan and Greentown's current senior loan, the new MassCEC loan will be subordinate to the new senior loan. Mr. Hitt explained that, with the exception of subordination, it is anticipated that the material financial terms of the MassCEC's new loan will be substantially identical to those of the new senior loan. Mr. Hitt also emphasized that, with the exception of more streamlined financial covenants, MassCEC's new loan will include the same commitments tailored to MassCEC as the existing MassCEC loan, including a board seat on the Greentown board and covenants to repay the loan in the event Greentown is no longer headquartered in Massachusetts or shifts its focus away from clean energy.

Board members posed a number of questions about Greentown's operations and the loan, including Greentown's recent expansion to Houston, the interest rate of the loan relative to the rate of the senior loan and how the loan proceeds would be used. Mr. Hitt addressed the questions accordingly. The Board further recommended that the loan should include a covenant that the proceeds of the new MassCEC loan will be used solely to support Greentown's Massachusetts operations and Mr. Hitt agreed that MassCEC would require such a covenant in the new loan.

Upon a motion made by Ms. Diaz and seconded by Dr. Cook, the following roll call vote was taken at 11:40 am:

Secretary Card: yea  
Ms. Diaz: yea  
Mr. Galvin: yea  
Dr. Cook: yea  
Mr. Moran: yea  
Dr. Balasubramanian: yea  
Mr. Fuller: yea

With 7 yeas and 0 nays it was VOTED, without discussion or abstention, at 11:41 am:

**To authorize MassCEC by its CEO to negotiate and enter into the New MassCEC loan and such agreements that may be reasonably necessary to consummate said investment, subject to terms and conditions to be developed by staff and consistent with recommendations in the staff memorandum.**

#### **VIII. Workforce Development: Re-Authorization of Internship Programs**

Ms. Daloisio then suggested that, in the interest of time and to allow sufficient time for discussion, the Board flip the order of the remaining two items on the agenda and proceed next to the workforce item and then cover the investments proposal as the final item. Secretary Card assented and Ms. Daloisio then introduced Janel Granum, MassCEC's Senior Program Manager for Workforce Development, to present a proposal to reauthorize the Clean Energy Internship and Vocational Internship programs for FY 2023. Ms. Granum noted that proposed changes to the programs include a \$2 increase in hourly pay, increase of 70 interns from FY2022, and a requested authorization of a \$4.4 Million dollar budget. Ms. Granum explained a full strategy and authorization for Workforce Development programming will be brought to the September meeting of the Board. Questions arose and Ms. Granum responded accordingly.

Upon a motion made by Ms. Diaz and seconded by Mr. Galvin, the following roll call vote was taken at 11:48 am:

Secretary Card: yea  
Ms. Diaz: yea  
Mr. Galvin: yea  
Dr. Cook: abstain  
Mr. Moran: yea  
Dr. Balasubramanian: yea  
Mr. Fuller: yea

With 6 yeas and 0 nays and 1 abstention it was VOTED, without discussion, at 11:49 am:

**To authorize the expenditure of up to \$4,430,400 for the Clean Energy Industry Internship and Vocational Internship Programs, 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.**

**IX. Investments: Strategy Overview & Authorization of 2030 Fund**

Ms. Daloisio then introduced the investment presentation, noting that the purpose of the presentation was to give the Board an in-depth review of MassCEC's investment strategy and programming. Ms. Daloisio explained that Mr. Hitt commenced this review and re-envisioning when he took over as Interim Managing Director of Investments and Hilary Flynn took on the project and saw it through to completion as the new, permanent Managing Director of Investments. Further, Ms. Daloisio noted that MassCEC previewed this proposal with the Investments Committee and they have approved the strategy and programming and recommended bringing this full program to the Board for consideration. Ms. Daloisio indicated the proposal includes an authorization request of \$5 million for FY2023 and the concept of a 2030 Fund that MassCEC would like to kick-off upon approval.

Ms. Flynn began presenting an overview of recent and current trends in cleantech investing. Ms. Flynn explained that, while recently, there has been a lot of capital flowing into climate tech investments, it is important to understand the nuances of where the capital has been flowing. Ms. Flynn explained that the overall capital flow has increased dramatically, the vast majority of the capital is being directed into later stage start-ups in certain sectors, principally in mobility and transportation companies, with mobility and transportation receiving 61% of global climate tech venture, despite being responsible for 16% of global emissions. Ms. Flynn noted that MassCEC focuses on early-stage companies and all sectors that contribute substantially to greenhouse gas emissions beyond transportation and mobility and therefore we are uniquely positioned to fill the funding gap for startups focused in sectors such as buildings, offshore wind, and net zero grid. Ms. Flynn demonstrated the critical need for funding in early-stage companies in all sectors and explained the unique strengths and value-added services that MassCEC brings to market over and above and beyond the support provided by other investors such as commercial venture capital firms and corporate strategic investors. Ms. Flynn stated the proposed 2030 Fund is framed as a fund that will signal to the market that MassCEC is serious about serving the need of early-stage cleantech companies. Ms. Flynn also addressed the question of grants as compared to investments, and noted that investments can be more beneficial for creating long-term growth.

Ms. Flynn then detailed MassCEC's proposed investment strategy, including the 2030 Fund. Ms. Flynn explained that the 2030 Fund would represent a commitment by MassCEC to invest \$50 million or more in early-stage clean tech companies by 2030. MassCEC would largely continue its current approach under the 2030 Fund but would increase the monies available for investment, including by re-investing the proceeds from successful exits from portfolio investments. The 2030 Fund will also provide a platform to drive increased awareness of MassCEC's investments program both in the investments and startup community and attract and retain talent. Ms. Flynn noted the \$50 Million commitment would be used for new



investments, follow-on investments, and venture debt. Board members posed a number of questions about the 2030 Fund, including about the projected rate of return on investments, and Ms. Flynn answered the questions accordingly.

With the discussion ongoing, the scheduled end time for the meeting approaching and with several Board members needing to depart from the meeting for other commitments, Ms. Daloisio suggested that the Board defer the approval of the 2030 Fund and Investments program to the next scheduled Board meeting in July to more time for the staff to respond to questions and for the Board to discuss the proposal further. Secretary Card assented to Ms. Daloisio's suggestion and the Board agreed to defer the vote to approve the proposal until its July meeting.

[Due to technological difficulties and need for Board members to depart, a vote was not taken on this item.]

[Dr. Cook departed from the meeting at approximately 11:55 am.]

**X. Adjourn.**

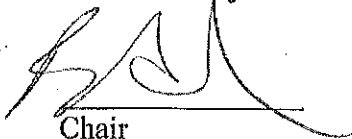
Secretary Card thanked members of the Board and MassCEC staff for attending in person.

Upon a motion made by Ms. Diaz and seconded by Mr. Galvin, the following roll call vote was taken at 12:15 pm:

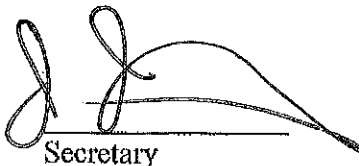
Secretary Card: yea  
Ms. Diaz: yea  
Mr. Galvin: yea  
Mr. Moran: yea  
Dr. Balasubramanian: yea  
Mr. Fuller: yea

With 6 yeas and 0 nays it was unanimously VOTED, without discussion and abstention, at 12:16 pm:

**To adjourn.**



Chair



Secretary

**Public Meeting Documents and Exhibits:**

Meeting Agenda  
PowerPoint Presentation on FY2023 Budget  
PowerPoint Presentation on Re-Authorization for College Internship Program  
PowerPoint Presentation on Investments Strategy & MassCEC 2030 Fund