

# **MASSCEC FY 2023 BUDGET PRESENTATION**

**MassCEC Board Meeting  
JUNE 21, 2022**

# FY23 BUDGET EXECUTIVE SUMMARY

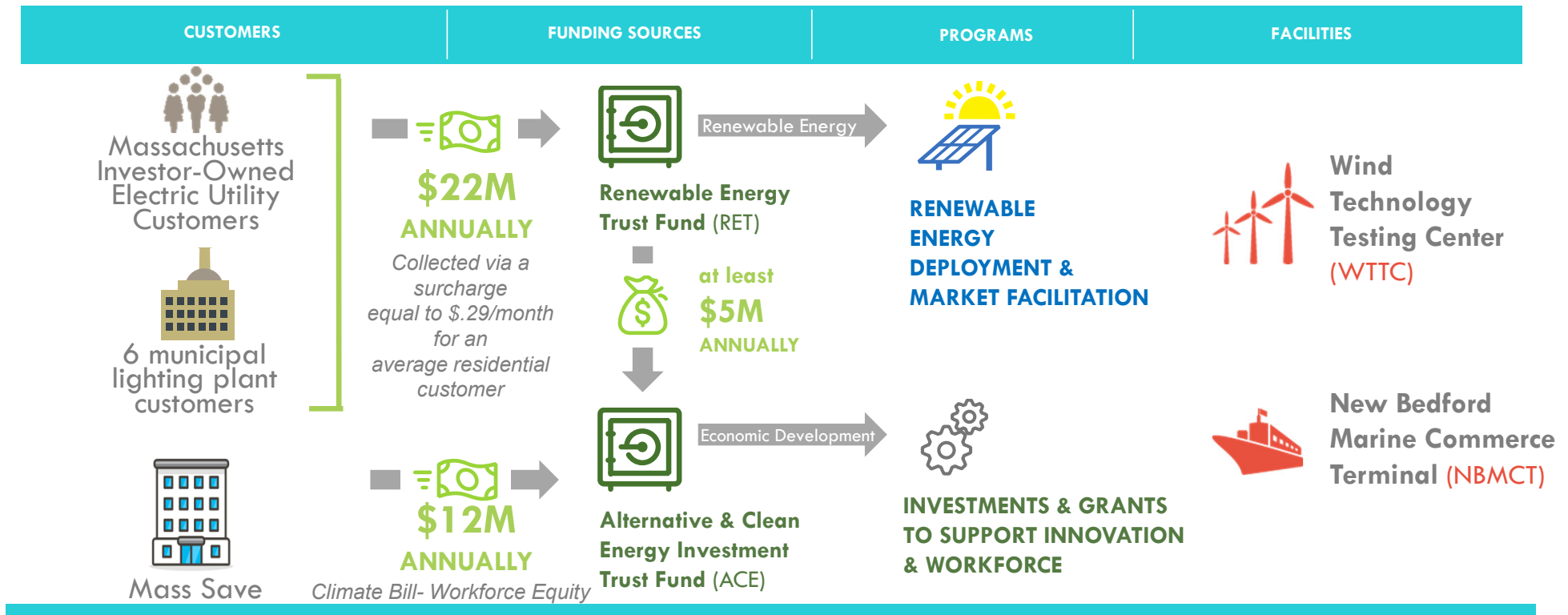
<b>CONSOLIDATED BUDGET</b>	<b>FY 2023</b>	<b>FY 2022</b>	
	<b>Budget</b>	<b>Budget</b>	<b>FY 2022 Estimated Actual</b>
<b>REVENUE / OTHER INCOME</b>	\$ 64,126,757	\$ 44,067,105	\$ 140,371,757
<b>AWARDS</b>	\$ 118,971,000	\$ 26,495,000	\$ 37,852,306
<b>PROGRAM OPERATING EXPENSES</b>	\$ 7,749,330	\$ 6,375,684	\$ 6,783,827
<b>BUSINESS UNIT OPERATING EXPENSES</b>	\$ 9,087,804	\$ 6,001,085	\$ 6,311,779

The FY23 budget reflects the following:

- **Revenue:** Systems Benefit Charge in line with actual funding received in FY22 (\$21.5M), Equity Workforce (\$12M), COVID-19 Recovery Act - Geothermal Microdistrict (\$5M), Terminal developer revenue (\$5.8M).
- **Awards:** Increased awards in FY23 driven largely by new sources of funding (\$81.7M); ACE/RET funded awards in line w/ FY22.
- **Operating Expenses:** Increase in FY23 operating expenses compared to prior year due to filling open positions, additional positions to support increased funding, and increased Terminal expenses as developer lease commences (paid by developer).

*\*Reclassifications have been made to the FY 2022 budget and reforecasted figures in order to present a comparable format to FY 2023.*

# HOW MASSCEC IS FUNDED



# FY23 REVENUE BUDGET

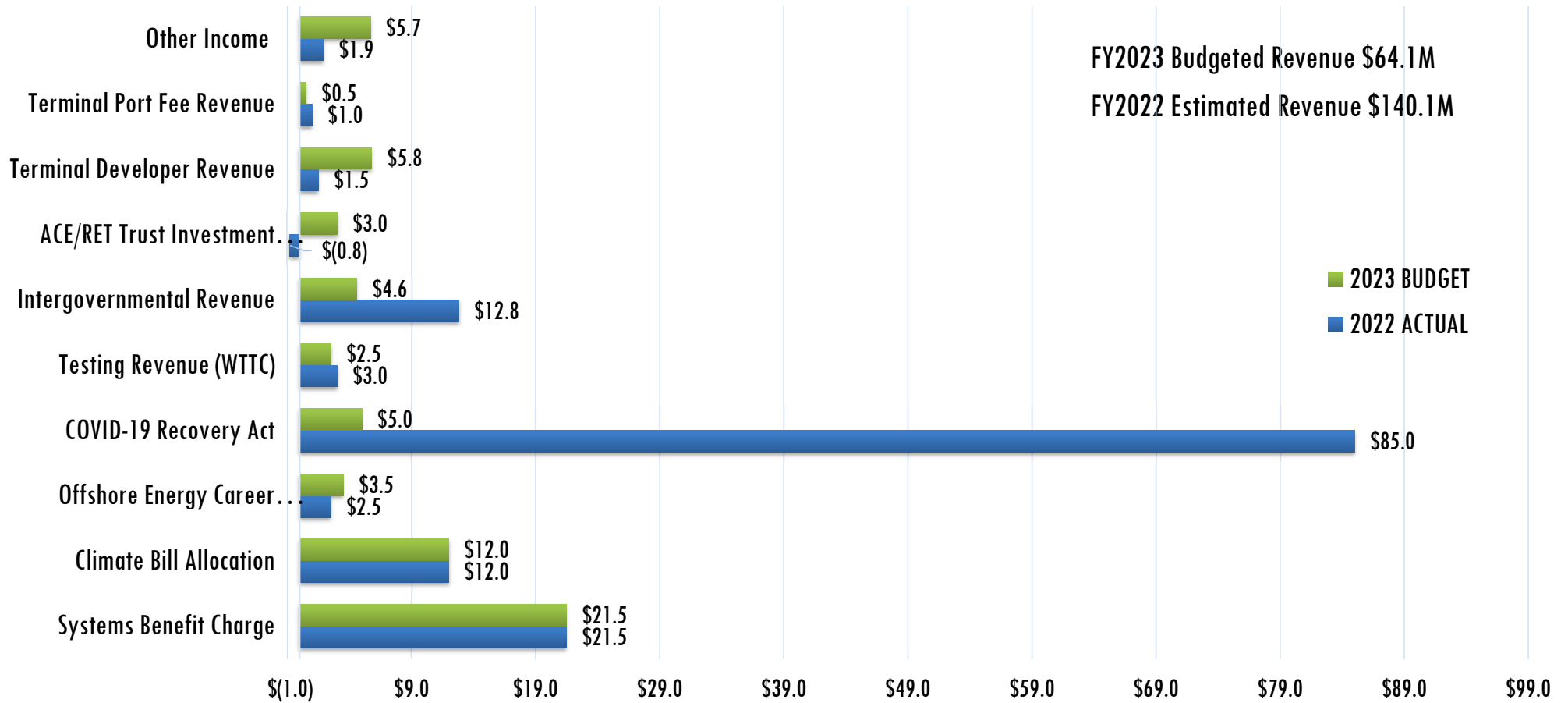
CONSOLIDATED BUDGET	FY 2023	FY 2022	
	Budget	Budget	FY 2022 Q3 Estimated Actual
<b>REVENUE / OTHER INCOME</b>			
System Benefit Charges	\$ 21,500,000	\$ 21,500,000	\$ 21,500,000
Equity Workforce Development Funding	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
Offshore Energy Career Training Trust	\$ 3,500,000	\$ -	\$ 2,500,000
COVID-19 Recovery Act - Marine Port Development		\$ -	\$ 80,000,000
COVID-19 Recovery Act - Geothermal Microdistrict	\$ 5,000,000	\$ -	\$ 5,000,000
ACE/RET Trust Interest & Dividend Income	\$ 3,000,000	\$ 2,000,000	\$ 2,000,000
ACE/RET Trust Realized/Unrealized Gains (Losses)	\$ -	\$ -	\$ (2,806,730)
Investment Division Income	\$ 38,490	\$ 132,922	\$ 960,022
Intergovernmental Revenue	\$ 4,552,450	\$ 4,191,483	\$ 12,798,773
Renewable Energy Certificate Income / (Loss)	\$ 110,000	\$ 61,450	\$ 194,500
Other Gain / (Loss)	\$ 5,665,000	\$ 181,250	\$ 706,230
Wind Technology Testing Center Revenue	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000
Marine Commerce Terminal - Developer Revenue	\$ 5,785,532	\$ -	\$ 1,493,500
Marine Commerce Terminal - Port Fee Revenue	\$ 475,285	\$ 1,000,000	\$ 1,025,462
<b>TOTAL REVENUE / OTHER INCOME</b>	<b>\$ 64,126,757</b>	<b>\$ 44,067,105</b>	<b>\$ 140,371,757</b>

## FY23 Revenue highlights:

- **Systems Benefit Charge:** In line with actual funding received in FY22 (\$21.5M)
- **External Funding:** \$3.5M Offshore Energy Career Training Trust, \$5M Networked Geothermal
- **Trust Interest & Gains:** based on conservative assumptions around Trust investments given current market volatility
- **Intergovernmental Revenue:** comprised of PTS and Buildings (DOER) and Offshore Wind (Federal)
- **Other Gain / (Loss):** Mayflower and Vineyard Wind Trust funding
- **Marine Commerce Terminal - Developer Revenue:** Vineyard Wind lease + fees (January 2023)

# REVENUE SOURCES

(in millions)



# FY23 AWARDS BUDGET

<b>CONSOLIDATED BUDGET</b>	<b>FY 2023</b>	<b>FY 2022</b>	
	<b>Budget</b>	<b>Budget</b>	<b>FY 2022 Q3 Estimated Actual</b>
<b>AWARDS AND INVESTMENTS</b>			
<b>Market Development</b>			
<i>High Performance Buildings</i>	\$ 17,150,000	\$ 6,700,000	\$ 6,640,250
<i>Offshore Wind</i>	\$ 53,000,000	\$ 2,000,000	\$ 1,915,840
<i>Clean Transportation</i>	\$ 12,000,000	\$ 2,500,000	\$ 6,083,963
<i>Net Zero Grid</i>	\$ 1,700,000	\$ 1,500,000	\$ 1,345,040
<b>Market Development Total</b>	\$ 83,850,000	\$ 12,700,000	\$ 15,985,093
<b>Technology Development</b>	\$ 8,056,000	\$ 5,794,000	\$ 7,309,427
<b>Investments</b>	\$ 5,000,000	\$ 2,400,000	\$ 1,075,000
<b>Workforce Development</b>	\$ 21,690,000	\$ 5,226,000	\$ 13,105,980
<b>Other</b>	\$ 375,000	\$ 375,000	\$ 376,806
<b>TOTAL AWARDS AND INVESTMENTS</b>	\$ 118,971,000	\$ 26,495,000	\$ 37,852,306

# FY23 AWARDS — INCREASE OVER FY22 EST. ACTUALS

Awards Increase - FY22 Estimated Actuals vs. FY23 Budgeted		
FY23 Budgeted Awards	\$	118,971,000
FY22 Estimated Award Total	\$	37,852,306
<b>Increase year over year</b>	<b>\$</b>	<b>81,118,694</b>

Detail of Awards Increase		
Geothermal Microdistrict (FY22 Commonwealth budget funding)	\$	5,000,000
Offshore Wind Ports and Infrastructure (FY22 Commonwealth budget funding)	\$	50,000,000
ACT School Bus Program (DEP Funding)	\$	8,000,000
Increase in Offshore Energy Career Training Trust spending (FY22 Commonwealth budget funding)	\$	1,000,000 <i>compared to ~\$2.5M in FY22</i>
Increase in Equity Workforce Spending (2021 Climate Bill)	\$	8,510,000 <i>compared to ~\$5.3M in FY22</i>
Buildings - Triple Decker (DOER)	\$	1,400,000
Other increases	\$	7,208,694
<b>Total Increase FY22 - FY23</b>	<b>\$</b>	<b>81,118,694</b>

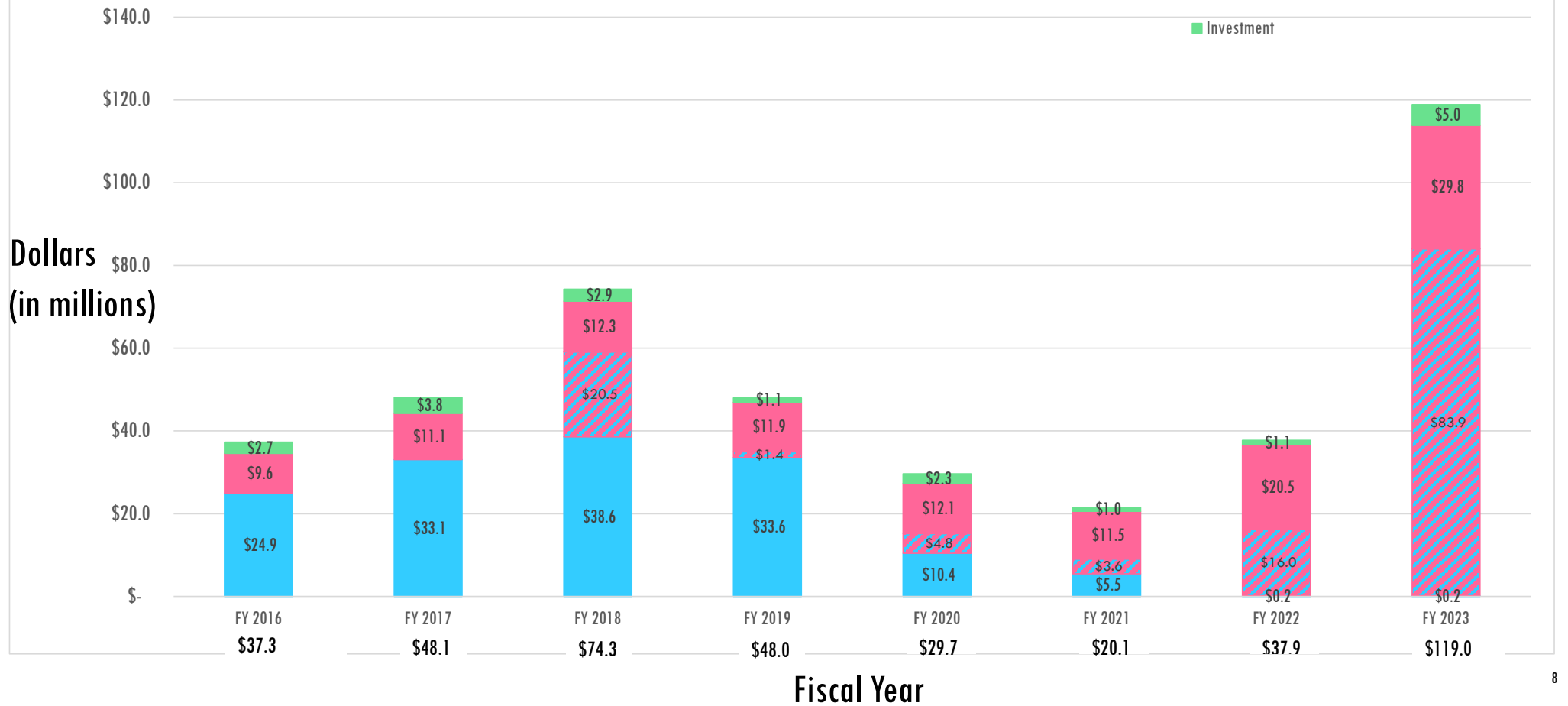
Other increases line includes the following higher program award volume funded by ACE/RET:

- \$2.3M Buildings
- \$1.1M Offshore Wind
- \$3.9M Investments
- \$1.9M Climate Finance

The increases are offset by small decreases in other areas like ACE/RET-funded Transportation and Offshore Energy Workforce.

# HISTORIC AWARDS BY TYPE

- Deployment
- Combination Deployment + Technology Development
- Technology Development / Workforce
- Investment

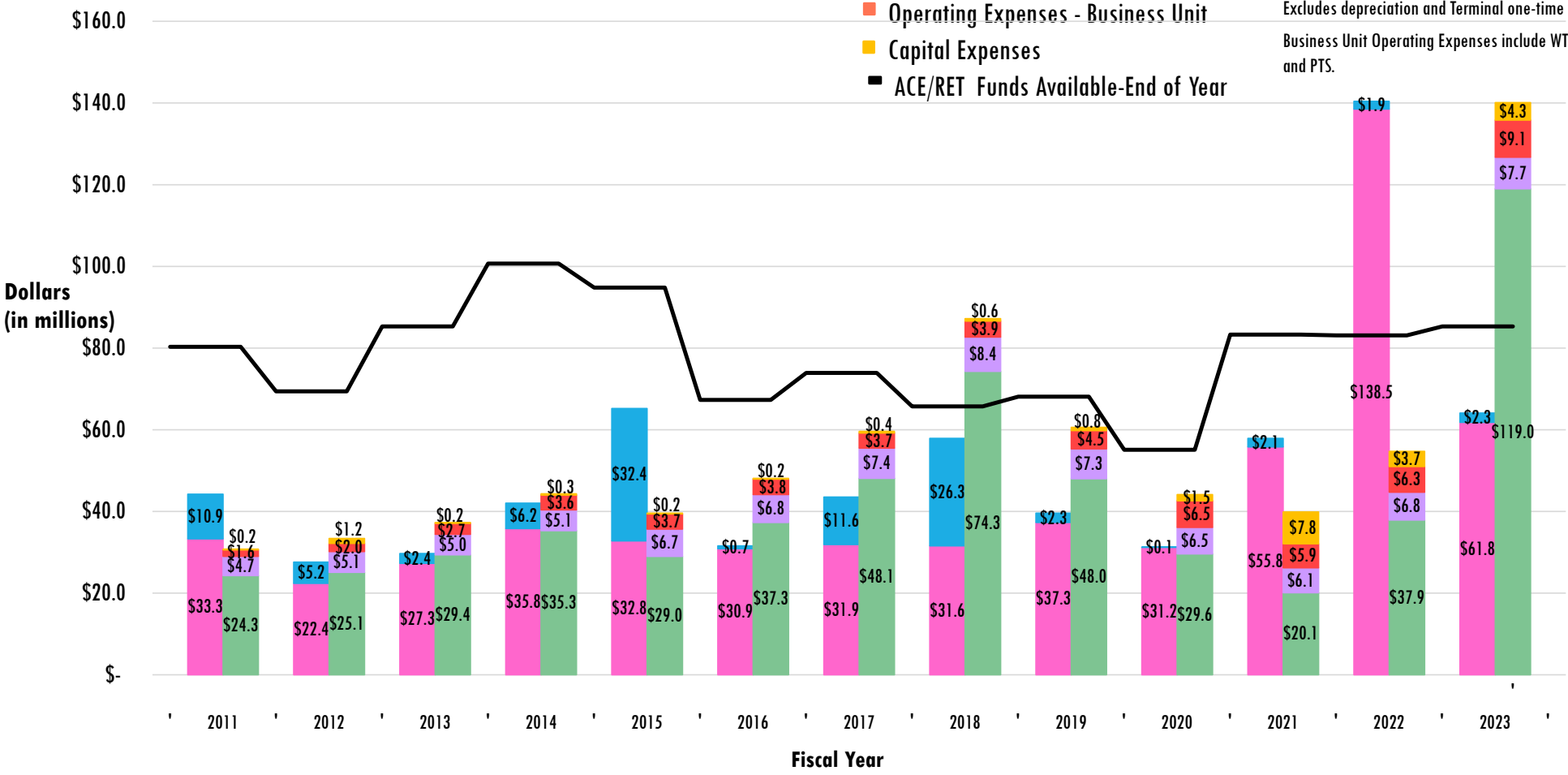




# HISTORICAL RESULTS

- Revenue
- ACP Revenue
- Awards
- Operating Expenses - Programmatic
- Operating Expenses - Business Unit
- Capital Expenses
- ACE/RET Funds Available-End of Year

**Note:** FY22 reflects reforecast data as of Q3. FY23 reflects budgeted data.  
 Excludes \$129.8M of revenue and \$137.5M of expenses related to the construction of the Terminal and the WTTC. Excludes Terminal settlement of \$20.8M.  
 Excludes depreciation and Terminal one-time fees.  
 Business Unit Operating Expenses include WTTC, Terminal, and PTS.



# Program Awards and Positions Over Time – FY22

