

# OFFICE OF PERFORMANCE MANAGEMENT AND OVERSIGHT

## Reporting Entity Fiscal Year 2018 Annual Report

### Reporting Agency Overview

#### Reporting Agency Name

Massachusetts Clean Energy Center

#### General Description

The Massachusetts Clean Energy Center (Massachusetts Clean Energy Center) is dedicated to accelerating the success of clean energy technologies, companies and projects in the Commonwealth—while creating high-quality jobs and long-term economic growth for the people of Massachusetts. Since it began operating in 2009, Massachusetts Clean Energy Center has helped clean energy companies grow, supported municipal clean energy projects, funded university research and development, and invested in residential and commercial renewable energy installations, creating a robust marketplace for innovative clean technology companies and service providers.

Massachusetts Clean Energy Center's objective is to increase the statewide adoption of renewable energy, while driving down the costs of renewable energy and delivering financial and environmental benefits to ratepayers. To do so, Massachusetts Clean Energy Center works closely with residents, businesses and municipalities to develop programs that provide renewable energy solutions for their energy needs. Massachusetts Clean Energy Center's programs also connect communities with the most viable clean energy and water technologies and reduce the energy burden on low- and moderate-income residents, with the hope of fostering the success of the Commonwealth's dynamic clean energy sector.

#### Agency Mission

Massachusetts Clean Energy Center's mission is to grow the state's clean energy industry while helping to meet the Commonwealth's clean energy and climate goals.

#### Agency Budget funded by the Commonwealth of Massachusetts

\$0.00

#### Agency Total Budget (*including Commonwealth of Massachusetts funding*)

\$58,800,000.00

#### Agency Budget funded by the Commonwealth of Massachusetts *Expended*

\$0.00

OFFICE OF PERFORMANCE MANAGEMENT AND OVERSIGHT  
PROGRAM & INITIATIVES

Program / Initiative Information

Program / Initiative #1

Name

Clean Heating & Cooling (Residential)

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

[http://www.Massachusetts Clean Energy Center.com/residential/clean-heating-and-cooling](http://www.MassachusettsCleanEnergyCenter.com/residential/clean-heating-and-cooling)

Description of Program / Initiative

Massachusetts Clean Energy Center's Clean Heating and Cooling Residential programs offer rebates to support the installation of renewable heating, hot water, and cooling technologies at homes across the Commonwealth. The Program includes a number of sub-programs to increase the adoption of clean heating and cooling technologies including, Air-Source Heat Pumps, Modern Wood Heating, Solar Hot Water and Ground-Source Heat Pumps and a Woodstove Changeout Program.

\*Included as part of Residential Clean Energy Choice: Programs and activities that deliver targeted incentives for residents designed to drive down the costs of renewable energy with the goal of phasing out incentives as technologies become more cost effective.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$9,451,127.00

Total Fiscal Year 2018 Budget expended

\$12,930,933.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

Program / Initiative #2

Name

HeatSmart Mass

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/heatsmart-mass>

Description of Program / Initiative

HeatSmart Mass seeks to increase the adoption of small-scale clean heating and cooling technologies (air-source heat pumps, ground-source heat pumps, central biomass heating and solar hot water) in participating communities through a competitive solicitation process that aggregates homeowner buying power to lower installation prices for participants. The Program aims to help 1) drive down the installation cost and 2) increase deployment of residential and small-scale commercial clean heating and cooling installations through a group purchasing model.

\*Included as part of Residential Clean Energy Choice: Programs and activities that deliver targeted incentives for residents designed to drive down the costs of renewable energy with the goal of phasing out incentives as technologies become more cost effective.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$350,000.00

Total Fiscal Year 2018 Budget expended

\$503,000.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

The full Fiscal Year 2018 budget expenditure was provided by the Massachusetts Department of Energy Resources.

### Program / Initiative #3

Name

SolarizeMass

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

[http://www.Massachusetts Clean Energy Center.com/government-non-profit/solar](http://www.MassachusettsCleanEnergyCenter.com/government-non-profit/solar)

Description of Program / Initiative

The program is a community-based education, outreach and group buying program that allows residents to band together to save money on solar electric systems.

\*Included as part of Residential Clean Energy Choice: Programs and activities that deliver targeted incentives for residents designed to drive down the costs of renewable energy with the goal of phasing out incentives as technologies become more cost effective.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$192,500.00

Total Fiscal Year 2018 Budget expended

\$96,027.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

#### Program / Initiative #4

Name

Mass Solar Loan Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.massolarloan.com/>

Description of Program / Initiative

Provides incentives to Massachusetts residents in the form of subsidized loans provided through a network of local banks and credit unions to make it easier for Massachusetts residents to obtain low-interest loans to fund the installation of solar electricity systems for their homes.

\*Included as part of Residential Clean Energy Choice: Programs and activities that deliver targeted incentives for residents designed to drive down the costs of renewable energy with the goal of phasing out incentives as technologies become more cost effective.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$8,194,250.00

Total Fiscal Year 2018 Budget expended

\$11,783,769.96

Total Budget (Total \$, including other sources)

Details of additional funding sources

The Total Fiscal Year 2018 Budget expended was provided by the Massachusetts Department of Energy Resources.

## Program / Initiative #5

Name

Solar Adoption Initiatives

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

Description of Program / Initiative

Initiatives targeted at helping Massachusetts residents and business owners make decisions related to choosing solar electricity including financial benefits, siting requirements, ownership models, and installer selection. Additional efforts include improving system installation quality through education of installers and local inspectors.

\*Included as part of Residential Clean Energy Choice: Programs and activities that deliver targeted incentives for residents designed to drive down the costs of renewable energy with the goal of phasing out incentives as technologies become more cost effective.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$295,000.00

Total Fiscal Year 2018 Budget expended

\$60,000.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

**Program / Initiative #6**

Name

Clean Heating & Cooling (Commercial)

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/business/clean-heating-and-cooling>

Description of Program / Initiative

Massachusetts Clean Energy Center's Clean Heating and Cooling Commercial Programs offers rebates to support the installation of renewable heating, hot water and cooling technologies at facilities across the Commonwealth. The Program includes a number of sub-programs to increase the adoption of clean heating and cooling technologies including Air-Source Heat Pumps, Modern Wood Heating, Ground-Source Heat Pumps, and Solar Hot Water.

\*Included as part of Commercial Scale Renewable Energy: Programs and activities that deliver support through grants and other incentives for the development of commercial and industrial-scale renewable energy. Specific targets include manufacturers, businesses, communities and other commercial scale customers with the goal of lowering energy costs through adoption of cost-effective solar, hydropower, organics-to-energy, clean heating and cooling, and offshore energy projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$1,278,873.00

Total Fiscal Year 2018 Budget expended

\$2,034,118.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #7

Name

Commonwealth Organics-to-Energy Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/commonwealth-organics-energy>

Description of Program / Initiative

The program advances the deployment of anaerobic digestion (“AD”) and other technologies that produce energy from non-woody biomass. This is accomplished through the provision of grants for construction projects as well as grants for studies and other technical services necessary to develop projects. The program supports not only new digesters with energy production, but the addition or upgrade of biogas-fueled combined heat-and-power systems at pre-existing AD facilities.

\*Included as part of Commercial Scale Renewable Energy: Programs and activities that deliver support through grants and other incentives for the development of commercial and industrial-scale renewable energy. Specific targets include manufacturers, businesses, communities and other commercial scale customers with the goal of lowering energy costs through adoption of cost-effective solar, hydropower, organics-to-energy, clean heating and cooling, and offshore energy projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$1,375,000.00

Total Fiscal Year 2018 Budget expended

\$831,113.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #8

Name

Commonwealth Hydro Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/hydropower>

Description of Program / Initiative



The program seeks to increase the output of the Commonwealth's hydropower assets by providing grants to ecologically-appropriate projects that can be implemented quickly and efficiently. Applicants may request funding in the following activity areas: 1) Upgrade of existing hydropower facilities to increase energy generation, such as turbine replacement or refurbishment; installation or upgrade of automated controls; replacement of wooden flashboards with rubber skirt/inflatable crest gate systems; enhanced fish or eel passage (in conjunction with measures to increase generation); 2) Development of new conduit hydropower facilities; or 3) Feasibility studies for any of the types of projects listed above.

\*Included as part of Commercial Scale Renewable Energy: Programs and activities that deliver support through grants and other incentives for the development of commercial and industrial-scale renewable energy. Specific targets include manufacturers, businesses, communities and other commercial scale customers with the goal of lowering energy costs through adoption of cost-effective solar, hydropower, organics-to-energy, clean heating and cooling, and offshore energy projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

Total Fiscal Year 2018 Budget expended

Total Budget (Total \$, including other sources)

Details of additional funding sources

**Program / Initiative #9**

Name

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

Description of Program / Initiative

Massachusetts Clean Energy Center's Commonwealth Wind (CommWind) Program assists appropriately-sited wind energy development in Massachusetts that can help achieve the Commonwealth's goals for a clean environment and a robust economy. Grant funding and technical assistance is available for residential, commercial, industrial and public facilities, and is based on the size and other characteristics of the wind project.

\*Included as part of Commercial Scale Renewable Energy: Programs and activities that deliver support through grants and other incentives for the development of commercial and industrial-scale renewable energy. Specific targets include manufacturers, businesses, communities and other commercial scale customers with the goal of lowering energy costs through adoption of cost-effective solar, hydropower, organics-to-energy, clean heating and cooling, and offshore energy projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$200,000.00

Total Fiscal Year 2018 Budget expended

\$76,000.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #10

Name

Offshore Energy Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/offshore-wind>

Description of Program / Initiative

Massachusetts Clean Energy Center's Offshore Wind strategy centers on accelerating the responsible development of offshore wind projects and increasing the role of Massachusetts companies, institutions, and workers in the offshore wind industry. Toward this goal, Massachusetts Clean Energy Center is leading an array of initiatives and technical analyses in close collaboration with policy makers, regulators, developers, industry and stakeholders. These initiatives are designed to establish baseline environmental data to support the permitting process, reduce development and deployment risks, advance innovation, and increase jobs and economic activity in the offshore wind sector.

\*Included as part of Commercial Scale Renewable Energy: Programs and activities that deliver support through grants and other incentives for the development of commercial and industrial-scale renewable energy. Specific targets include manufacturers, businesses, communities and other commercial scale customers with the goal of lowering energy costs through adoption of cost-effective solar, hydropower, organics-to-energy, clean heating and cooling, and offshore energy projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$1,200,000.00

Total Fiscal Year 2018 Budget expended

\$1,821,049.29

Total Budget (Total \$, including other sources)

Details of additional funding sources

\$302,111.52 of the Total Fiscal Year 2018 Budget expenditure was provided from the Bureau of Ocean Energy Management.

## Program / Initiative #11

Name

Manufacturing Initiative

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

Description of Program / Initiative

The program was designed to provide technical assistance and leveraged financial support to help small to medium sized manufacturers deploy cost effective energy efficiency, storage, and appropriate renewables.

\*Included as part of Commercial Scale Renewable Energy: Programs and activities that deliver support through grants and other incentives for the development of commercial and industrial-scale renewable energy. Specific targets include manufacturers, businesses, communities and other commercial scale customers with the goal of lowering energy costs through adoption of cost-effective solar, hydropower, organics-to-energy, clean heating and cooling, and offshore energy projec

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$540,000.00

Total Fiscal Year 2018 Budget expended

\$0.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #12

Name

Affordable Clean Residential Energy (ACRE)

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/request-proposals-affordable-clean-residential->

Description of Program / Initiative

Programs targeted at alleviating the high cost of energy for low-income populations through competitive grants to organizations serving low income residents, while delivering significant energy and cost savings for each dollar of public investment. As part of the Baker-Polito Administration's Affordable Access to Clean and Efficient Energy Initiative, one initiative is a competitive solicitation to fund teams that will design and independently manage, and verify programmatic activities that deploy solar PV systems and air-source heat pumps that provide direct economic benefit to low-income single family residents.

\*Included as part of Affordable Access to Clean and Efficient Energy: Programs targeted at reducing the energy burden of low and moderate-income residents, that is designed to provide consumers with incentives for affordable renewable energy options.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$4,500,000.00

Total Fiscal Year 2018 Budget expended

\$3,697,730.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #13

Name

VentureDebt

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/innovate-clean-energy/investments-program>

Description of Program / Initiative

Supports commercialization stage companies via senior and subordinated debt investments to help Massachusetts-based cleantech companies grow, reach key milestones, and create jobs.

\*Included as part of Innovative Company Investment: Investments that provide strategic support and analysis for successful share platforms for innovation, and small business startup companies. Investments are optimized to attract external capital, target persistent funding gaps, and provide a strong financial return on ratepayer investment.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$1,000,000.00

Total Fiscal Year 2018 Budget expended

\$0.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #14

Name

Equity Investments and Follow-on Investments

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/innovate-clean-energy/investments-program>

Description of Program / Initiative

Supports early stage and growth companies in development and commercialization stages via convertible debt and equity investments to help Massachusetts-based cleantech companies grow, reach key milestones, and create jobs. Provides follow-on investments in existing portfolio companies through transition to later funding stages on way to commercialization.

\*Included as part of Innovative Company Investment: Investments that provide strategic support and analysis for successful share platforms for innovation, and small business startup companies. Investments are optimized to attract external capital, target persistent funding gaps, and provide a strong financial return on ratepayer investment.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$2,750,000.00

Total Fiscal Year 2018 Budget expended

\$1,942,455.14

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #15

Name

Learn and Earn Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/learn-and-earn>

Description of Program / Initiative

The program provides grant funding to schools for programs that prepares Massachusetts high school students for clean energy careers and clean energy/STEM majors in higher education. Through participation in the program, students also make connections to clean energy employers and project sites.

\*Included as part of Workforce Development: Programs and initiatives that deliver workforce training programs that are tailored to meet the needs of clean energy employers across the state while improving workforce skills, job readiness and vocational and educational opportunities for Massachusetts residents.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$605,000.00

Total Fiscal Year 2018 Budget expended

\$600,000.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #16

Name

Year Round Clean Energy Industry Internship Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/clean-energy-internship-program-0>

Description of Program / Initiative



The program facilitates the placement of Massachusetts community college and four-year college students and recent graduates who are considering career opportunities in clean energy, in paid, full-time summer internships as well as paid, part-time academic year internships across the state. The funding will support a targeted 590 interns in a program through three sessions that will each last up to 12 weeks.

\*Included as part of Workforce Development: Programs and initiatives that deliver workforce training programs that are tailored to meet the needs of clean energy employers across the state while improving workforce skills, job readiness and vocational and educational opportunities for Massachusetts residents.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$3,053,000.00

Total Fiscal Year 2018 Budget expended

\$3,651,858.18

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #17

Name

Clean Energy Activity Days

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/clean-energy-activity-day>

Description of Program / Initiative

The program funds Clean Energy Activity Days at Massachusetts elementary schools (kindergarten – eighth grade) to participate in Massachusetts Clean Energy Center’s Clean Energy Activity Day. The day offers specialized activities with a hands-on learning opportunity for students either at the students’ current place of education or at a clean energy business or organization.

\*Included as part of Workforce Development: Programs and initiatives that deliver workforce training programs that are tailored to meet the needs of clean energy employers across the state while improving workforce skills, job readiness and vocational and educational opportunities for Massachusetts residents.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

Total Fiscal Year 2018 Budget expended

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #18

Name

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

Description of Program / Initiative

Program designed to increase Massachusetts workforce capacity to participate in offshore wind manufacturing, deployment and operations.

\*Included as part of Workforce Development: Programs and initiatives that deliver workforce training programs that are tailored to meet the needs of clean energy employers across the state while improving workforce skills, job readiness and vocational and educational opportunities for Massachusetts residents.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$300,000.00

Total Fiscal Year 2018 Budget expended

\$0.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #19

Name

InnovateMass

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

[http://www.Massachusetts Clean Energy Center.com/innovatemass](http://www.MassachusettsCleanEnergyCenter.com/innovatemass) ; <http://www.Massachusetts>

Description of Program / Initiative

The program provides grants for demonstration projects that offer the most innovative, effective and impactful clean energy solutions, helping companies and their technologies move closer to commercialization. Includes a special round this year, a Resilient Service (Gas) Stations Challenge, for projects that deploy commercially viable energy resilience technologies and demonstrate innovative and/or replicable business models while providing measureable energy resilience, risk management, clean energy and/or climate benefits to Massachusetts gas stations, enabling these facilities to provide critical goods and services to the communities they serve during extended electric grid failures.

\*Included as part of Innovation Demonstration & Acceleration: Programs and activities that stimulate innovation and foster an environment for technological advancement and make Massachusetts a leading destination for clean energy and clean water technology companies. Targets persistent gaps in the commercialization process for pilot and demonstration scale projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$1,500,000.00

Total Fiscal Year 2018 Budget expended

\$854,323.73

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #20

Name

Advancing Commonwealth Energy Storage (ACES)

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/advancing-commonwealth-energy-storage-aces-0> ; <http://www.Massachusetts Clean Energy Center.com/energy-storage>

Description of Program / Initiative

Supports projects aimed at piloting innovative, broadly-replicable energy storage use cases/business models with multiple value streams in order to prime Massachusetts for increased commercialization and deployment of storage technologies. The ACES Program will help direct the Commonwealth's first substantial investments in energy storage projects that demonstrate the benefits of storage to Massachusetts ratepayers and the electric grid.

\*Included as part of Innovation Demonstration & Acceleration: Programs and activities that stimulate innovation and foster an environment for technological advancement and make Massachusetts a leading destination for clean energy and clean water technology companies. Targets persistent gaps in the commercialization process for pilot and demonstration scale projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$10,005,000.00

Total Fiscal Year 2018 Budget expended

\$20,407,073.55

Total Budget (Total \$, including other sources)

Details of additional funding sources

\$19,600,000 of the Total Fiscal Year 2018 Budget expended was provided by the Massachusetts Department of Energy Resources.

## Program / Initiative #21

Name

Community Microgrid Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

[http://www.Massachusetts Clean Energy Center.com/community-microgrids-program](http://www.MassachusettsCleanEnergyCenter.com/community-microgrids-program)

[http://www.Massachusetts Clean Energy Center.com/energy-resilience](http://www.MassachusettsCleanEnergyCenter.com/energy-resilience)

[http://www.Massachusetts Clean Energy Center.com/microgrids](http://www.MassachusettsCleanEnergyCenter.com/microgrids)

Description of Program / Initiative

The program seeks to catalyze the development of community microgrids throughout Massachusetts to lower customer energy costs, reduce greenhouse gas (GHG) emissions, and provide increased energy resilience.

\*Included as part of Innovation Demonstration & Acceleration: Programs and activities that stimulate innovation and foster an environment for technological advancement and make Massachusetts a leading destination for clean energy and clean water technology companies. Targets persistent gaps in the commercialization process for pilot and demonstration scale projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$500,000.00

Total Fiscal Year 2018 Budget expended

\$1,050,440.84

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #22

Name

Catalyst Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/catalyst>

Description of Program / Initiative

The program provides grants and business mentoring to researchers and early-stage companies looking to demonstrate initial prototypes of their clean energy and water technologies.

\*Included as part of Innovation Demonstration & Acceleration: Programs and activities that stimulate innovation and foster an environment for technological advancement and make Massachusetts a leading destination for clean energy and clean water technology companies. Targets persistent gaps in the commercialization process for pilot and demonstration scale projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$1,060,000.00

Total Fiscal Year 2018 Budget expended

\$1,055,000.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #23

Name

AccelerateMass

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/acceleratemass>

Description of Program / Initiative

The program serves as a funding resource for recent accelerator graduates to allow them to reach a stage where they can reach commercial milestones and successfully obtain private investment funding. The goals of the program are to: (1) Provide additional funding opportunities for early stage companies to support commercial development; (2) Help to build on a company's momentum by providing a runway from the accelerators to an early stage financing round; (3) Encourage cleantech startups to apply to accelerator programs; (4) Improve the rate of success for cleantech companies graduating from accelerators; (5) Assist out-of-state companies relocating to Massachusetts; and (6) Attract private capital to earlier stage companies.

\*Included as part of Innovation Demonstration & Acceleration: Programs and activities that stimulate innovation and foster an environment for technological advancement and make Massachusetts a leading destination for clean energy and clean water technology companies. Targets persistent gaps in the commercialization process for pilot and demonstration scale projects.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$650,000.00

Total Fiscal Year 2018 Budget expended

\$450,000.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #24

Name

IncubateMass

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/innovate-clean-energy/incubatemass>

Description of Program / Initiative



Provides funding to incubators that are catalyzing and supporting startup companies to create jobs and promote the commercialization of new clean energy and water technologies.

\*Included as part of Clean Energy Innovation Network: Massachusetts Clean Energy Center support for many organizations and events that make Massachusetts a global leader in clean energy innovation including technology incubators and accelerators, centers for applied research that leverage federal and foreign funding, and regional entrepreneurship programs that make Massachusetts a global leader in clean energy innovation.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$300,000.00

Total Fiscal Year 2018 Budget expended

\$120,000.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #25

Name

Clean Energy Innovation Grants

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

Description of Program / Initiative

Massachusetts Clean Energy Center provides support for certain clean energy R&D institutions and accelerators, and aligned innovation funding agencies.

\*Included as part of Clean Energy Innovation Network: Massachusetts Clean Energy Center support for many organizations and events that make Massachusetts a global leader in clean energy innovation including technology incubators and accelerators, centers for applied research that leverage federal and foreign funding, and regional entrepreneurship programs that make Massachusetts a global leader in clean energy innovation.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$1,800,000.00

Total Fiscal Year 2018 Budget expended

\$2,197,500.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #26

Name

International Collaboration

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/MAtCH>

Description of Program / Initiative

Host international policy/government delegations, start-ups, companies, consulates, regulators etc. to provide an overview of Massachusetts Clean Energy Center and the cleantech and water ecosystem in Massachusetts. Includes a pilot start-up exchange program between MA and Switzerland called MATCH.

\*Included as part of Clean Energy Innovation Network: Massachusetts Clean Energy Center support for many organizations and events that make Massachusetts a global leader in clean energy innovation including technology incubators and accelerators, centers for applied research that leverage federal and foreign funding, and regional entrepreneurship programs that make Massachusetts a global leader in clean energy innovation.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

Total Fiscal Year 2018 Budget expended

Total Budget (Total \$, including other sources)

Details of additional funding sources

**Program / Initiative #27**

Name

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

Description of Program / Initiative

Provides grant funding for public wastewater districts and authorities that demonstrate innovative water technologies that increase energy efficiency and may also potentially recover re-usable resources and/or remediate nutrients such as nitrogen or phosphorus.

\*Included as part of Water Innovation: Programs that help build and scale the water innovation sector in Massachusetts with a focus on reducing energy use related to water and demonstrating innovative water technologies

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$800,000.00

Total Fiscal Year 2018 Budget expended

\$501,915.50

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #28

Name

Market Research

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/rfp-clean-transportation>

Description of Program / Initiative

This program is focused on clean energy research efforts, and includes Massachusetts Clean Energy Center's work on the annual clean energy industry report, which demonstrates the state of clean energy jobs, companies, and technology subsectors in Massachusetts. Additionally, Massachusetts Clean Energy Center planned to conduct a clean transportation study, but that effort was put on hold.

\*Included as part of Industry Support & Research: Partners with Massachusetts universities and companies to maintain leadership in energy R&D, and assist institutions to stay competitive for increasingly scarce federal funding. Provides timely analysis to identify and address challenges and opportunities in the cleantech industry. Supports industry stakeholder engagement, market barrier and opportunity research, and leads other special projects to strengthen market conditions for emerging clean energy sectors.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

Total Fiscal Year 2018 Budget expended

Total Budget (Total \$, including other sources)

Details of additional funding sources

**Program / Initiative #29**

Name

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

  
  

Description of Program / Initiative

Provides grants to Massachusetts-based companies and university teams receiving federal and other sources of funding for clean energy related efforts. The Fiscal Year 2018 program will combine three previously separate programs under one program, AmplifyMass, to support research and development in the Commonwealth across a broad set of recipients for different clean energy and water technologies and attract federal and other sources of funding into the state.

\*Included as part of Industry Support & Research: Partners with Massachusetts universities and companies to maintain leadership in energy R&D, and assist institutions to stay competitive for increasingly scarce federal funding. Provides timely analysis to identify and address challenges and opportunities in the cleantech industry. Supports industry stakeholder engagement, market barrier and opportunity research, and leads other special projects to strengthen market conditions for emerging clean energy sectors.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$2,200,000.00

Total Fiscal Year 2018 Budget expended

\$2,245,597.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #30

Name

Market Development

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/request-proposals-moon-island-engineering-design-consultant>

Description of Program / Initiative

Supports the development and commercialization of emerging clean energy technologies that have the potential to greatly benefit the infrastructure and ratepayers in the Commonwealth and/or transform its energy landscape. One such initiative is to support a solar photovoltaic plus energy storage system at the Boston Fire Department training facility on Moon Island. The system will primarily be used to demonstrate, inform and support the development of storage fire safety codes, standards and training for adoption by municipal authorities having jurisdiction and other pertinent storage industry stakeholders and will secondarily be used to provide energy resilience benefits to the training facility.

\*Included as part of Industry Support & Research: Partners with Massachusetts universities and companies to maintain leadership in energy R&D, and assist institutions to stay competitive for increasingly scarce federal funding. Provides timely analysis to identify and address challenges and opportunities in the cleantech industry. Supports industry stakeholder engagement, market barrier and opportunity research, and leads other special projects to strengthen market conditions for emerging clean energy sectors.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$500,000.00

Total Fiscal Year 2018 Budget expended

\$108,080.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #31

Name

DeployMass

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/deploymass>

Description of Program / Initiative

DeployMass facilitates the adoption of clean energy or water innovation technologies at public agencies, public academic institutions and municipalities to support the growth and development of Massachusetts-based companies while saving taxpayer dollars.

\*Included as part of State & Municipal Partnerships: Programs and activities that connect the most viable clean energy and water technologies with municipalities and other public entities to reduce energy costs and save taxpayer dollars, while in turn supporting small businesses that are seeking to validate the commercial readiness of their technologies with an early customer.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$150,000.00

Total Fiscal Year 2018 Budget expended

\$236,327.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

## Program / Initiative #32

Name

EEA Partnership Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

Description of Program / Initiative



Supports EEA for clean energy activities and clean energy projects at EEA agency facilities and sites across the Commonwealth.

\*Included as part of State & Municipal Partnerships: Programs and activities that connect the most viable clean energy and water technologies with municipalities and other public entities to reduce energy costs and save taxpayer dollars, while in turn supporting small businesses that are seeking to validate the commercial readiness of their technologies with an early customer.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$2,000,000.00

Total Fiscal Year 2018 Budget expended

\$0.00

Total Budget (Total \$, including other sources)

Details of additional funding sources

### Program / Initiative #33

Name

Wind Technology Testing Center

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://www.Massachusetts Clean Energy Center.com/wind-technology-testing-center>

Description of Program / Initiative

Massachusetts Clean Energy Center owns and operates the Wind Technology Testing Center (WTTC) which offers a full suite of certification tests for turbine blades up to 90 meters in length and offers the latest wind turbine blade testing and prototype development methodologies to help the wind industry deploy the next generation of land-based and offshore wind turbine technologies.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$5,528,323 Budget (Revenue \$600,000; Total Expenses \$3,728,323) ; Change in Net Position \$(1,928,323)

Total Fiscal Year 2018 Budget expended

\$5,528,323 Budget (Revenue \$600,000; Total Expenses \$3,728,323) ; Change in Net Position \$(1,928,323)

Total Budget (Total \$, including other sources)

\$4,702,704 Budget (Revenue \$1,318,916; Total Expenses \$3,383,788) ; Change in Net Position \$(2,064,872)

Details of additional funding sources

This is a facility that generates revenue from third party customers.

## Program / Initiative #34

Name

New Bedford Marine Commerce Terminal

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

[http://www.Massachusetts Clean Energy Center.com/facilities/new-bedford-marine-commerce-terminal](http://www.MassachusettsCleanEnergyCenter.com/facilities/new-bedford-marine-commerce-terminal)

Description of Program / Initiative

Massachusetts Clean Energy Center owns and operates the New Bedford Marine Commerce Terminal, a multi-purpose facility designed to support the construction, assembly, and deployment of offshore wind projects, as well as handle, break-bulk, container shipping and large specialty marine cargo.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$4,428,678 Budget (Revenue \$600,000; Total Expenses \$3,828,678) ; Change in Net Position \$(3,228,678)

Total Fiscal Year 2018 Budget expended

\$5,132,765 Actual (Revenue \$784,672; Total Expenses \$4,348,093) ; Change in Net Position \$(4,563,421)

Total Budget (Total \$, including other sources)

Details of additional funding sources

This is a facility that generates revenue from third party customers.

**OUTCOMES OF GOALS LISTED WITHIN AGENCY'S FISCAL YEAR 2018  
OFFICE OF PERFORMANCE MANAGEMENT & OVERSIGHT ANNUAL PLAN**

**Goal:** Increase statewide adoption of clean energy, while driving down the costs and delivering financial, environmental, and economic development benefits to ratepayers.

Opportunities for All Category:  Business  Citizens  Communities

Relevant Program(s) & Initiative(s)	Metrics	Completed?	Results -or- Reason why not complete
<ul style="list-style-type: none"> <li>• Clean Heating &amp; Cooling (Residential)</li> <li>• HeatSmart Mass</li> <li>• SolarizeMass</li> <li>• Clean Heating &amp; Cooling (Commercial)</li> <li>• Commonwealth Organics-to-Energy Program</li> <li>• Mass Solar Loan Program</li> <li>• Solar Adoption Initiatives</li> <li>• Commonwealth Hydro Program</li> <li>• Commonwealth Wind Program</li> <li>• Offshore Energy Program</li> <li>• Manufacturing Initiative</li> <li>• Affordable Clean Residential Energy (ACRE)</li> <li>• Community Microgrid Program</li> <li>• DeployMass</li> <li>• EEA Partnership Program</li> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> </ul>	Private Entities Impacted	Yes	947 private entities impacted

<ul style="list-style-type: none"> <li>• Clean Heating &amp; Cooling (Residential)</li> <li>• HeatSmart Mass</li> <li>• SolarizeMass</li> <li>• Clean Heating &amp; Cooling (Commercial)</li> <li>• Commonwealth Organics-to-Energy Program</li> <li>• Mass Solar Loan Program</li> <li>• Solar Adoption Initiatives</li> <li>• Commonwealth Hydro Program</li> <li>• Commonwealth Wind Program</li> <li>• Offshore Energy Program</li> <li>• Manufacturing Initiative</li> <li>• Affordable Clean Residential Energy (ACRE)</li> <li>• Community Microgrid Program</li> <li>• DeployMass</li> <li>• EEA Partnership Program</li> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> </ul>	Public Entities Impacted	Yes	124 public entities impacted
---	--------------------------	-----	------------------------------

<ul style="list-style-type: none"> <li>• Clean Heating &amp; Cooling (Residential)</li> <li>• HeatSmart Mass</li> <li>• SolarizeMass</li> <li>• Clean Heating &amp; Cooling (Commercial)</li> <li>• Commonwealth Organics-to-Energy Program</li> <li>• Mass Solar Loan Program</li> <li>• Solar Adoption Initiatives</li> <li>• Commonwealth Hydro Program</li> <li>• Commonwealth Wind Program</li> <li>• Offshore Energy Program</li> <li>• Manufacturing Initiative</li> <li>• Affordable Clean Residential Energy (ACRE)</li> <li>• Community Microgrid Program</li> <li>• DeployMass</li> <li>• EEA Partnership Program</li> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> </ul>	<p>Number of clean energy systems awarded</p>	<p>Yes</p>	<p>8,485 clean energy systems awarded</p>
---	---	------------	---

<ul style="list-style-type: none"> <li>• Clean Heating &amp; Cooling (Residential)</li> <li>• HeatSmart Mass</li> <li>• SolarizeMass</li> <li>• Clean Heating &amp; Cooling (Commercial)</li> <li>• Commonwealth Organics-to-Energy Program</li> <li>• Mass Solar Loan Program</li> <li>• Solar Adoption Initiatives</li> <li>• Commonwealth Hydro Program</li> <li>• Commonwealth Wind Program</li> <li>• Offshore Energy Program</li> <li>• Manufacturing Initiative</li> <li>• Affordable Clean Residential Energy (ACRE)</li> <li>• Community Microgrid Program</li> <li>• DeployMass</li> <li>• EEA Partnership Program</li> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> </ul>	<p>System capacity awarded</p>	<p>Yes</p>	<p>83 megawatts of system capacity awarded</p>
---	--------------------------------	------------	--

<ul style="list-style-type: none"> <li>• Clean Heating &amp; Cooling (Residential)</li> <li>• HeatSmart Mass</li> <li>• SolarizeMass</li> <li>• Clean Heating &amp; Cooling (Commercial)</li> <li>• Commonwealth Organics-to-Energy Program</li> <li>• Mass Solar Loan Program</li> <li>• Solar Adoption Initiatives</li> <li>• Commonwealth Hydro Program</li> <li>• Commonwealth Wind Program</li> <li>• Offshore Energy Program</li> <li>• Manufacturing Initiative</li> <li>• Affordable Clean Residential Energy (ACRE)</li> <li>• Community Microgrid Program</li> <li>• DeployMass</li> <li>• EEA Partnership Program</li> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> </ul>	<p>Installed capacity at low and moderate income households</p>	<p>Yes</p>	<p>19 megawatts of installed capacity at low and moderate income households</p>
---	---	------------	---



<ul style="list-style-type: none"> <li>• Clean Heating &amp; Cooling (Residential)</li> <li>• HeatSmart Mass</li> <li>• SolarizeMass</li> <li>• Clean Heating &amp; Cooling (Commercial)</li> <li>• Commonwealth Organics-to-Energy Program</li> <li>• Mass Solar Loan Program</li> <li>• Solar Adoption Initiatives</li> <li>• Commonwealth Hydro Program</li> <li>• Commonwealth Wind Program</li> <li>• Offshore Energy Program</li> <li>• Manufacturing Initiative</li> <li>• Affordable Clean Residential Energy (ACRE)</li> <li>• Community Microgrid Program</li> <li>• DeployMass</li> <li>• EEA Partnership Program</li> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> </ul>	<p>Number of awards for studies or technical services</p>	<p>Yes</p>	<p>42 awards for studies or technical services</p>
---	---	------------	--

<ul style="list-style-type: none"> <li>• Clean Heating &amp; Cooling (Residential)</li> <li>• HeatSmart Mass</li> <li>• SolarizeMass</li> <li>• Clean Heating &amp; Cooling (Commercial)</li> <li>• Commonwealth Organics-to-Energy Program</li> <li>• Mass Solar Loan Program</li> <li>• Solar Adoption Initiatives</li> <li>• Commonwealth Hydro Program</li> <li>• Commonwealth Wind Program</li> <li>• Offshore Energy Program</li> <li>• Manufacturing Initiative</li> <li>• Affordable Clean Residential Energy (ACRE)</li> <li>• Community Microgrid Program</li> <li>• DeployMass</li> <li>• EEA Partnership Program</li> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> </ul>	<p>Leveraged Funds per dollar awarded by Massachusetts Clean Energy Center</p>	<p>Yes</p>	<p>\$155,878,689 in leveraged funds (Note: this is total leveraged funds, not per dollar awarded by Massachusetts Clean Energy Center)</p>
---	--	------------	--

<ul style="list-style-type: none"> <li>• Clean Heating &amp; Cooling (Residential)</li> <li>• HeatSmart Mass</li> <li>• SolarizeMass</li> <li>• Clean Heating &amp; Cooling (Commercial)</li> <li>• Commonwealth Organics-to-Energy Program</li> <li>• Mass Solar Loan Program</li> <li>• Solar Adoption Initiatives</li> <li>• Commonwealth Hydro Program</li> <li>• Commonwealth Wind Program</li> <li>• Offshore Energy Program</li> <li>• Manufacturing Initiative</li> <li>• Affordable Clean Residential Energy (ACRE)</li> <li>• Community Microgrid Program</li> <li>• DeployMass</li> <li>• EEA Partnership Program</li> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> </ul>	<p>Estimated lifetime energy costs savings (\$/lifetime)</p>	<p>No</p>	<p>Massachusetts Clean Energy Center determined that this was not a metric that makes sense to collect at this time.</p>
---	--	-----------	--

<p><b>Goal:</b> Continue to drive clean energy innovation.</p>			
<p>Opportunities for All Category: <input checked="" type="checkbox"/> Business <input type="checkbox"/> Citizens <input checked="" type="checkbox"/> Communities</p>			
<p>Relevant Program(s) &amp; Initiative(s)</p>	<p>Metrics</p>	<p>Completed?</p>	<p>Results -or- Reason why not complete</p>

<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Equity Investments and Follow-on Investments</li> <li>• InnovateMass</li> <li>• Advancing Commonwealth Energy Storage (ACES)</li> <li>• Community Microgrid Program</li> <li>• Catalyst Program</li> <li>• AccelerateMass</li> <li>• IncubateMass</li> <li>• Clean Energy Innovation Grants</li> <li>• Market Research – Clean Energy Transportation Study</li> <li>• AmplifyMass</li> <li>• Market Development</li> <li>• DeployMass</li> </ul>	Public Entities Impacted	Yes	30 Public Entities Impacted
<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Equity Investments and Follow-on Investments</li> <li>• InnovateMass</li> <li>• Advancing Commonwealth Energy Storage (ACES)</li> <li>• Community Microgrid Program</li> <li>• Catalyst Program</li> <li>• AccelerateMass</li> <li>• IncubateMass</li> <li>• Clean Energy Innovation Grants</li> <li>• Market Research – Clean Energy Transportation Study</li> <li>• AmplifyMass</li> <li>• Market Development</li> <li>• DeployMass</li> </ul>	Private Entities Impacted	Yes	136 Private Entities Impacted

<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Equity Investments and Follow-on Investments</li> <li>• InnovateMass</li> <li>• Advancing Commonwealth Energy Storage (ACES)</li> <li>• Community Microgrid Program</li> <li>• Catalyst Program</li> <li>• AccelerateMass</li> <li>• IncubateMass</li> <li>• Clean Energy Innovation Grants</li> <li>• Market Research – Clean Energy Transportation Study</li> <li>• AmplifyMass</li> <li>• Market Development</li> <li>• DeployMass</li> </ul>	<p>Number of Pilot or Demonstration Projects Awarded</p>	<p>Yes</p>	<p>26 Pilot or Demonstration Projects Awarded</p>
<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Equity Investments and Follow-on Investments</li> <li>• InnovateMass</li> <li>• Advancing Commonwealth Energy Storage (ACES)</li> <li>• Community Microgrid Program</li> <li>• Catalyst Program</li> <li>• AccelerateMass</li> <li>• IncubateMass</li> <li>• Clean Energy Innovation Grants</li> <li>• Market Research – Clean Energy Transportation Study</li> <li>• AmplifyMass</li> <li>• Market Development</li> <li>• DeployMass</li> </ul>	<p>Number of Research Projects or Studies Awarded</p>	<p>Yes</p>	<p>13 awards for studies, technical services, or research projects</p>

<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Equity Investments and Follow-on Investments</li> <li>• InnovateMass</li> <li>• Advancing Commonwealth Energy Storage (ACES)</li> <li>• Community Microgrid Program</li> <li>• Catalyst Program</li> <li>• AccelerateMass</li> <li>• IncubateMass</li> <li>• Clean Energy Innovation Grants</li> <li>• Market Research – Clean Energy Transportation Study</li> <li>• AmplifyMass</li> <li>• Market Development</li> <li>• DeployMass</li> </ul>			<p>Note: The metric was left blank here, so it was unclear what to report.</p>
<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Equity Investments and Follow-on Investments</li> <li>• InnovateMass</li> <li>• Advancing Commonwealth Energy Storage (ACES)</li> <li>• Community Microgrid Program</li> <li>• Catalyst Program</li> <li>• AccelerateMass</li> <li>• IncubateMass</li> <li>• Clean Energy Innovation Grants</li> <li>• Market Research – Clean Energy Transportation Study</li> <li>• AmplifyMass</li> <li>• Market Development</li> <li>• DeployMass</li> </ul>	<p>Leveraged Funds per dollar awarded by Massachusetts Clean Energy Center</p>	<p>Yes</p>	<p>\$63,342,400 in leveraged funds (Note: this is total leveraged funds, not per dollar awarded by Massachusetts Clean Energy Center)</p>

<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Equity Investments and Follow-on Investments</li> <li>• InnovateMass</li> <li>• Advancing Commonwealth Energy Storage (ACES)</li> <li>• Community Microgrid Program</li> <li>• Catalyst Program</li> <li>• AccelerateMass</li> <li>• IncubateMass</li> <li>• Clean Energy Innovation Grants</li> <li>• Market Research – Clean Energy Transportation Study</li> <li>• AmplifyMass</li> <li>• Market Development</li> <li>• DeployMass</li> </ul>	<p>Total Funding Raised by Companies in in Current and Future Funding Rounds</p>	<p>Yes</p>	<p>\$563,138,341 in total funding raised by companies in current and future funding rounds (Note: much of the data does not include future projections of funding rounds, since our team does not always receive that information. As a result, this number is lower than if those projections were included for all programs.)</p>
<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Equity Investments and Follow-on Investments</li> <li>• InnovateMass</li> <li>• Advancing Commonwealth Energy Storage (ACES)</li> <li>• Community Microgrid Program</li> <li>• Catalyst Program</li> <li>• AccelerateMass</li> <li>• IncubateMass</li> <li>• Clean Energy Innovation Grants</li> <li>• Market Research – Clean Energy Transportation Study</li> <li>• AmplifyMass</li> <li>• Market Development</li> <li>• DeployMass</li> </ul>	<p>Total Revenues Generated by Supported Companies</p>	<p>Yes</p>	<p>\$189,042,258 in total revenues generated by supported companies</p>

<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Equity Investments and Follow-on Investments</li> <li>• InnovateMass</li> <li>• Advancing Commonwealth Energy Storage (ACES)</li> <li>• Community Microgrid Program</li> <li>• Catalyst Program</li> <li>• AccelerateMass</li> <li>• IncubateMass</li> <li>• Clean Energy Innovation Grants</li> <li>• Market Research – Clean Energy Transportation Study</li> <li>• AmplifyMass</li> <li>• Market Development</li> <li>• DeployMass</li> </ul>	TRL Advancement	Yes	For InnovateMass, the average TRL advancement in the program was 1.6. For AmplifyMass, the average TRL advancement was 1. The other programs listed do not measure TRL advancement.
--	-----------------	-----	---

**Goal:** Support the creation of high-quality jobs and develop a trained workforce for a rapidly growing industry.

Opportunities for All Category:  Business  Citizens  Communities

Relevant Program(s) & Initiative(s)	Metrics	Completed? <small>select yes, no, or partially</small>	Results <small>-or- Reason why not complete</small>
<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Market Development</li> <li>• Year Round Internship Program</li> <li>• Clean Energy Activity Days</li> </ul>	Number of Students Supported	Yes	2,747 students supported
<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Market Development</li> <li>• Year Round Internship Program</li> <li>• Clean Energy Activity Days</li> </ul>	Number of Companies Supported	Yes	231 companies supported
<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Market Development</li> <li>• Year Round Internship Program</li> <li>• Clean Energy Activity Days</li> </ul>	Number of Trainees Supported in Training Programs	Yes	3 trainees supported in training programs



<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Market Development</li> <li>• Year Round Internship Program</li> <li>• Clean Energy Activity Days</li> </ul>	Number of Participating Women and Minorities	Yes	1,997 participating women and minorities
<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Market Development</li> <li>• Year Round Internship Program</li> <li>• Clean Energy Activity Days</li> </ul>	Number of Community College Participants	Yes	47 community college participants
<ul style="list-style-type: none"> <li>• Offshore Energy Program</li> <li>• Market Development</li> <li>• Year Round Internship Program</li> <li>• Clean Energy Activity Days</li> </ul>	Number of Elementary Schools Supported	Yes	8 elementary schools supported

**Goal:** Advance innovative solutions that will lead to energy security and a safe, reliable, and resilient energy infrastructure.

Opportunities for All Category:  Business  Citizens  Communities

Relevant Program(s) & Initiative(s)	Metrics	Completed?	Results -or- Reason why not complete
<ul style="list-style-type: none"> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> <li>• Community Microgrid Program</li> <li>• Market Development Advancing Commonwealth Energy Storage (ACES)</li> <li>• InnovateMass</li> <li>• Catalyst Program</li> <li>• AmplifyMass</li> <li>• Offshore Energy Program</li> </ul>	Leveraged Funds per dollar awarded by Massachusetts Clean Energy Center	Yes	\$51,684,846 in leveraged funds (Note: this is total leveraged funds, not per dollar awarded by Massachusetts Clean Energy Center)
<ul style="list-style-type: none"> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> <li>• Community Microgrid Program</li> <li>• Market Development Advancing Commonwealth Energy Storage (ACES)</li> <li>• InnovateMass</li> <li>• Catalyst Program</li> <li>• AmplifyMass</li> <li>• Offshore Energy Program</li> </ul>	Private Entities Impacted	Yes	182 private entities impacted

<ul style="list-style-type: none"> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> <li>• Community Microgrid Program</li> <li>• Market Development Advancing Commonwealth Energy Storage (ACES)</li> <li>• InnovateMass</li> <li>• Catalyst Program</li> <li>• AmplifyMass</li> <li>• Offshore Energy Program</li> </ul>	Public Entities Impacted	Yes	59 public entities impacted
<ul style="list-style-type: none"> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> <li>• Community Microgrid Program</li> <li>• Market Development Advancing Commonwealth Energy Storage (ACES)</li> <li>• InnovateMass</li> <li>• Catalyst Program</li> <li>• AmplifyMass</li> <li>• Offshore Energy Program</li> </ul>	Clean Energy Systems Supported	Yes	49 clean energy systems supported
<ul style="list-style-type: none"> <li>• Wastewater Treatment Plan Technology Demonstration Program</li> <li>• Community Microgrid Program</li> <li>• Market Development Advancing Commonwealth Energy Storage (ACES)</li> <li>• InnovateMass</li> <li>• Catalyst Program</li> <li>• AmplifyMass</li> <li>• Offshore Energy Program</li> </ul>	Number of awards for research, studies and demonstration projects	Yes	26 awards for studies, technical services, or research projects

**Goal:** Enable a high-performing results-driven culture through effective management approaches and practices.

Opportunities for All Category:  Business  Citizens  Communities

Relevant Program(s) & Initiative(s)	Metrics	Completed?	Results -or- Reason why not complete
-------------------------------------	---------	------------	--

<p>The following initiatives are not programs that Massachusetts Clean Energy Center runs but rather internal initiatives and priorities for Fiscal Year 2018.</p>	<p>Independent financial statement audit presented annually to the Massachusetts Clean Energy Center Board of Directors and submitted to the MA State Legislature</p>	<p>Yes</p>	<p>Our financial statements have been independently audited and will be presented to Massachusetts Clean Energy Center's Audit Committee members on November 1, 2018 and then the full Board of Directors on November 14, 2018. Massachusetts Clean Energy Center included a draft copy of the financial statements (Exhibit D) with this report, and will forward the final version once they are approved.*</p>
<p>The following initiatives are not programs that Massachusetts Clean Energy Center runs but rather internal initiatives and priorities for Fiscal Year 2018.</p>	<p>Enhanced details on project performance</p>	<p>Yes</p>	<p>Massachusetts Clean Energy Center staff present scorecards on individual program performance on an annual basis. Additionally, all programs report quarterly organizational metrics, which get presented to the board.</p>
<p>The following initiatives are not programs that Massachusetts Clean Energy Center runs but rather internal initiatives and priorities for Fiscal Year 2018.</p>	<p>Development of divisional strategic plans to ensure Massachusetts Clean Energy Center's program planning, prioritization methodologies and approaches are utilizing ratepayer funds in the most beneficial manner.</p>	<p>Yes</p>	<p>Massachusetts Clean Energy Center presented a newly developed organization-wide strategic plan to the Board of Directors in Fiscal Year 2018.</p>

<p>The following initiatives are not programs that Massachusetts Clean Energy Center runs but rather internal initiatives and priorities for Fiscal Year 2018.</p>	<p>Continue to maintain public confidence in the use of ratepayer dollars by coordinating with the Administration to ensure best practices are followed, including but not limited to, enhancing the public's access to records, developing programs that are responsive to feedback solicited from relevant stakeholders, making programs accessible to low and moderate income consumers and building upon efforts to increase the transparency of Massachusetts Clean Energy Center's fiscal and program activities, independent audits, and public meetings.</p>	<p>Yes</p>	<p>Through website initiatives, Massachusetts Clean Energy Center has expanded the information we provide to the public, including commonly requested public records requests, Massachusetts Clean Energy Center incentive programs (including incentives for low and moderate income individuals), and access to Massachusetts Clean Energy Center board minutes and audited financials (once they are approved).</p>
--	--	------------	--

**INVESTMENTS AND GRANTS AWARDED OR PROVIDED BY THE AGENCY  
DURING FISCAL YEAR 2018**

**Award Overview**

Name of Award Program - or - Investment	Recipient Overview	Description of Award or Investment	Amount - Net (if applicable)
Advanced Commonwealth Energy Storage (ACES)	Award Count: 28	An initiative that aims to advance the energy storage segment of the state's clean energy industry by attracting and supporting local energy storage companies, expanding storage technology markets and demonstrating the value of storage benefits for the state's power grid and customers.	\$20,407,073.55
Clean Energy Innovation Network	Award Count: 8	Massachusetts Clean Energy Center support for certain clean energy Research & Development institutions and accelerators, and aligned innovation funding agencies.	\$2,197,500.00
Hackathons	Award Count: 7	Massachusetts Clean Energy Center hosts an annual Cleanweb Hackathon where teams create an app or web based platform to address energy efficiency and resource management needs, followed by an eight week mini accelerator. Massachusetts Clean Energy Center also hosts an annual Women in Cleanweb Panel to address diversity in the industry and highlight successful women.	\$24,089.94
Incubate Mass	Award Count: 1	Program provides funding to incubators that are catalyzing and supporting startup companies to create jobs and promote the commercialization of new clean energy technologies.	\$120,000.00

Market Development	Award Count: 3	Support the development and commercialization of emerging clean energy technologies that have the potential to greatly benefit the infrastructure and ratepayers in the Commonwealth and/or transform its energy landscape.	\$108,080.00
Market Research	Award Count: 1	To conduct timely research and study into specific topics that will inform clean energy industry of markets and barriers, inform Massachusetts Clean Energy Center's program development, identify clean energy economic opportunities and/or increase public understanding of the clean energy economy.	\$48,000.00
Microgrid Challenge	Award Count: 8	To accelerate the development of innovative utility supported multi user or community microgrids that achieve a broad range of performance objectives including energy cost and greenhouse gas emissions reductions, improved reliability and clean energy integration, and meaningful and strategic interaction with the macrogrid.	\$1,050,440.84
International Collaboration	Award Count: 2	Host international policy/government delegations, start ups, companies, consulates, regulators etc. to provide an overview of Massachusetts Clean Energy Center and the cleantech and water ecosystem in Massachusetts. Includes a pilot start up exchange program between MA and Switzerland that begins in June 2017 called MAatCH.	\$25,000.00
AmplifyMass	Award Count: 13	Provides grants to Massachusetts based companies and university teams receiving federal and other sources of funding for clean energy related efforts.	\$2,245,597.00
Catalyst Program	Award Count: 1	Support for university teams and early stage start ups to fund targeted proof of concept projects.	\$1,055,000.00

DeployMass	Award Count: 5	Provides networking and funding support to Massachusetts companies to facilitate the adoption of innovative clean energy technologies at public agencies, public academic institutions and municipalities, saving taxpayer dollars and supporting the growth and development of Massachusetts based companies.	\$236,327.00
Innovate Mass	Award Count: 9	A competitive program that provides awards to applicant teams that offer the most innovative, effective and impactful clean energy solutions, helping companies and their technologies move closer to commercialization.	\$854,323.73
Capacity Building	Award Count: 20	Programs designed to develop replicable models that address systemic deficiencies and enhance working models in clean energy training and education programs of the Commonwealth's education, non profit and workforce community.	\$738,734.69
On the Job Training	Award Count: 518	Helps prepare the next generation of clean energy workers by connecting students and recent graduates with Massachusetts companies in need of interns and providing stipends for internships.	\$3,651,858.18
Pathways Out of Poverty	Award Count: 1	Program provides grant funding for job training programs that help low and moderate income earners build careers in the clean energy sector and attain financial self sufficiency.	\$28,560.00
Workforce Programmin g	Award Count: 5	Supports symposiums, networking nights and other events to promote clean energy careers and Massachusetts Clean Energy Center's programs.	\$9,814.33

AccelerateMass Graduates	Award Count: 10	Provides convertible grant funding to extend runway for early stage start ups graduating from qualified accelerator programs.	\$450,000.00
Equity Investments	Award Count: 6	Support early stage and growth companies in development and commercialization stages via convertible debt and equity investments.	\$1,251,855.14
Follow On Investments	Award Count: 5	Provide follow on investments in existing portfolio companies through transition to later funding stages on way to commercialization.	\$690,600.00
ReHeat	Award Count: 3	Initiative to conduct a statewide public awareness campaign for clean heating and cooling technologies.	\$63,347.50
Affordable Access to Clean and Efficient Energy (AACEE)	Award Count: 2	Programs targeted at alleviating the high cost of energy for low income populations through competitive grants to organizations serving low income residents.	\$3,697,730.00
Clean Energy Adoption Initiatives	Award Count: 2	Resources targeted at helping Massachusetts residents and business owners make decisions related to choosing solar electricity including financial benefits, siting requirements, ownership models, and installer selection. Additional efforts to improve system installation quality through education of installers and local inspectors.	\$60,000.00



Commonwealth Hydro	Award Count: 2	Funding to communities and businesses for studies and construction of upgrades to increase energy generation at MA RPS eligible hydropower facilities; also support new "conduit" hydropower facilities.	\$190,357.00
Commonwealth Organics to Energy	Award Count: 6	Funding to communities and businesses to evaluate anaerobic digestion projects that use sewage sludge, food waste, and other organics, and supports construction of facilities as appropriate.	\$831,113.00
Commonwealth Solar Hot Water	Award Count: 137	Funding to support installations of residential and commercial scale solar thermal projects to provide domestic hot water, heating, and/or process heat.	\$1,161,015.05
Commonwealth Wind	Award Count: 2	Funding for feasibility studies and development of appropriately sited, cost effective land based wind projects.	\$76,000.00
HeatSmart	Award Count: 9	The Heat Smart campaign supports community outreach and bulk purchasing campaigns for clean heating and cooling technologies.	\$503,000.00
Mass Solar Loan	Number of Loans Supported: 1690*	Program to support affordable financing to promote lending to residential owned solar electricity projects including projects for people with lower incomes and credit scores.	\$11,783,769.96

Offshore Energy	Award Count: 33	Funding, analysis, and engagement to advance planning, permitting, and supply chain development for offshore energy.	\$1,821,049.29
RE Production Management Support	Award Count: 17	Massachusetts Clean Energy Center tracking and verification of energy production to ensure state incentives (RECs) are accessed appropriately, and the sole Independent Verifier for the SREC Programs.	\$442,750.00
Clean Heating and Cooling Programs	Number of systems supported: 6464**	Funding to support installation of residential and commercial ground source heat pumps, air source heat pumps, and efficient biomass heating systems; funding for replacement of older, inefficient woodstoves with cleaner, more efficient models.	\$14,535,537.70
Solarize Massachusetts	Award Count: 10	Grassroots outreach and education initiatives that allow members of participating communities and non profits partner with solar installers to access reduce rates for solar installation through volume based discounts.	\$96,027.00
State Facilities	Award Count: 2	Collaboration with Department of Energy Resources for expanded Heat Loan programming and collaboration with Department of Conservation & Recreation for solar installations on DCR ice rink rooftops.	\$3,308,415.00
Wastewater Treatment Pilot Program	Award Count: 4	Funded through the Water Innovation Trust, provides targeted grants for demonstrating innovative water technologies at waste water treatment facilities.	\$501,915.50

## TECHNICAL ASSISTANCE PROVIDED BY THE AGENCY

<b>Overview</b>	
Types of Technical Assistance Provided (*includes some of the programs that provided the assistance)	Description of Technical Assistance provided
Massachusetts Clean Energy Industry Report; Massachusetts Wind Workforce Assessment	Directly develop technical reports to support the clean energy industry
Project inspections in Clean Heating and Cooling Programs and Solar PV Programs; Feasibility Studies in Water Tech Demonstration Program, Commonwealth Organics to Energy Program, and Commonwealth Hydro Program; Ground Source Heat Pump Design Reviews	Provide assistance to projects
Offshore Energy Program, Community Microgrid studies	Fund consultants to provide technical support to industry stakeholders
SolarizeMass Program, Commonwealth Organics to Energy Program, Commonwealth Wind Program, Wastewater Pilot Program, Offshore Energy Program	Provide assistance to municipalities and other public entities
Catalyst Program, AccelerateMass Program, Investments Program, InnovateMass Program, Commonwealth Hydro Program, Wastewater Pilot Program, Offshore Energy Program	Provide assistance to companies
Wind Technology Testing Center; Developing and hosting the Offshore Wind Supply Chain Forum	Provide assistance to manufacturers
Cleantech Open Northeast, NSF SBIR, ARPA E, MIT Water Innovation Prize, MassChallenge, Hack a thon	Serve as a technical judge or reviewer

Wind Technology Testing Center, Catalyst Program	Provide assistance to local universities/research consortiums
Learn and Earn Program; Clean Energy Activities Days	Provide assistance to schools, colleges, or workforce

**LOANS, REAL ESTATE LOANS, WORKING CAPITAL LOANS AND GUARANTEES  
APPROVED BY THE AGENCY IN FISCAL YEAR 2018**

<b>Overview</b>		
Name of Recipient	Description	Amount
Alkemy Environmental	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 50,000.00
Anfiro	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 250,000.00
Coolchip	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 72,750.00
Pecos Wind Power	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 50,000.00
Powerhouse Dynamics	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 35,300.00
Solstice Power Technologies	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 50,000.00
Tessolar	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 40,000.00
Tessolar	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 10,000.00
Solar One	Guarantee (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 300,000.00
WeSpire	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 65,000.00
WeSpire	Convertible Note (*amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 35,000.00
Greentown Labs	Contruction Loan (amount of drawdown in FY18, *amount in next column is Mass Clean Energy Center Loan/Guarantee)	\$ 746,568.00

## OTHER FINANCIAL ASSISTANCE PROVIDED

Overview		
Name of Recipient	Description	Amount
Coolchip	Series A Warrants (*amount in next column is Mass Clean Energy Center Investment)	\$
eCurv	Series A 2 Preferred (*amount in next column is Mass Clean Energy Center Investment)	\$ 100,000.00
EnergySage	Series A 4 Preferred (*amount in next column is Mass Clean Energy Center Investment)	\$ 420,000.00
EnergySage	Common Warrants (*amount in next column is Mass Clean Energy Center Investment)	\$
Powerhouse Dynamics	B 1 Preferred Warrants (*amount in next column is Mass Clean Energy Center Investment)	\$
Tessolar	Common Warrant Shares (*amount in next column is Mass Clean Energy Center Investment)	\$

**Overview**

This is generally an indirect result of our funding rather than direct, and therefore is not something that is "directly" resulting from Massachusetts Clean Energy Center funding.



**OFFICE OF PERFORMANCE MANAGEMENT AND OVERSIGHT**  
**POINT OF CONTACTS**

**Point of Contact for Head of Agency**

Name

Steve Pike

Title

CEO

Agency

Massachusetts Clean Energy Center

Email Address

spike@masscec.com

Phone Number (123-456-7890)

617-315-9355

**Point of Contact for Performance Reporting Matters**

Name

Sarah Colao Wallach

Title

COO

Agency

Massachusetts Clean Energy Center

Email Address

swallach@masscec.com

Phone Number (123-456-7890)

617-315-9336





# **Massachusetts Clean Energy Center**

**Financial Statements  
Fiscal Year Ended June 30, 2018**



**Massachusetts Clean Energy Center**  
**Table of Contents**  
**June 30, 2018**

---

	<b>Page(s)</b>
<b>Independent Auditors' Report</b> .....	1-2
Management's Discussion and Analysis (Unaudited).....	3-12
<b>Government-wide Financial Statements</b>	
Statement of Net Position.....	13
Statement of Activities.....	14
<b>Governmental Fund Financial Statements</b>	
Balance Sheet - Governmental Fund.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund .....	16
<b>Proprietary Fund Financial Statements</b>	
Statement of Net Position - Proprietary Funds.....	17
Statement of Revenue, Expenditures, and Changes in Net Position - Proprietary Funds .....	18
Statement of Cash Flows - Proprietary Funds.....	19
<b>Fiduciary Fund Financial Statements</b>	
Statement of Net Position - Fiduciary Fund.....	20
Notes to Financial Statements .....	21-36
<b>Reporting under Government Auditing Standards</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	37-38



**Mayer Hoffman McCann P.C.**  
500 Boylston Street ■ Boston, MA 02116  
Main: 617.761.0600 ■ Fax: 617.761.0601  
[www.cbiz.com/newengland](http://www.cbiz.com/newengland)

## *Independent Auditors' Report*

The Board of Directors  
Massachusetts Clean Energy Center  
Boston, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Massachusetts Clean Energy Center (the "MassCEC"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the MassCEC's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the MassCEC as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 2018 on our consideration of the MassCEC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MassCEC's internal control over financial reporting and compliance.

*Maye Haffman McCann P.C.*

November 14, 2018  
Boston, Massachusetts

# **Massachusetts Clean Energy Center**

## **Management's Discussion and Analysis (Unaudited)**

### **June 30, 2018**

---

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the Massachusetts Clean Energy Center (the "MassCEC"), as well as an overview of financial activities for the fiscal year ended June 30, 2018. This discussion and analysis should be read in conjunction with the basic financial statements and accompanying notes to those financial statements.

#### **MassCEC General Overview**

MassCEC is a publicly-funded agency dedicated to accelerating the success of clean energy technologies, companies and projects in the Commonwealth of Massachusetts (the "Commonwealth") - while creating high-quality jobs and long-term economic growth for the people of Massachusetts. MassCEC has helped clean energy companies grow, supported municipal clean energy projects and invested in residential and commercial renewable energy installations, creating a robust marketplace for innovative clean technology companies and service providers.

MassCEC's mission is to grow the state's clean energy economy while helping to meet the Commonwealth's clean energy, climate, and economic development goals. To do so, MassCEC works closely with residents, businesses and municipalities to develop programs that provide renewable energy solutions for their energy needs. MassCEC's programs also connect communities with the most viable clean energy and water technologies and reduce the energy burden on low- and moderate-income residents, with the goal of fostering the success of the Commonwealth's dynamic clean energy sector.

#### **Enabling Legislation and Funding Sources**

MassCEC was created in 2008 as the result of the passage of several legislative acts described further below. Generally, MassCEC operates outside of the Commonwealth's appropriations process, and is primarily funded through dedicated funding sources received in support of initiatives within MassCEC's mandate. Funding received is presented as revenue in the financial statements. Significant funding sources include:

##### ***Massachusetts Alternative and Clean Energy Investment Trust Fund***

In August 2008, the "Green Jobs Act of 2008" created MassCEC and established the Massachusetts Alternative and Clean Energy Investment Trust Fund ("ACE") to financially support its activities. In accordance with the enabling legislation, ACE is funded through annual transfers from the Massachusetts Renewable Energy Trust Fund. ACE funds support MassCEC's activities to accelerate job growth and economic development in the state's clean energy industry.

##### ***Massachusetts Renewable Energy Trust Fund***

The Massachusetts Renewable Energy Trust Fund ("RET") was created through the Electric Utility Restructuring Act of 1997 and provides for a charge on each kilowatt hour of electricity purchased by consumers in the service territories of investor-owned electric distribution utilities, as well as by municipal lighting plants that have opted to participate in the RET, to support a broad range of activities related to renewable energy. The renewable energy charge is collected by distribution companies and transferred to MassCEC. The charge currently stands at \$.0005/kWh.

In November 2009, "An Act Relative to Clean Energy," transferred the RET and its staff from the Massachusetts Technology Park Corporation ("MTPC") to MassCEC in an effort to streamline support for the Commonwealth's clean energy economy into one single entity. RET funds support MassCEC's diverse renewable energy initiatives.

# Massachusetts Clean Energy Center

## Management's Discussion and Analysis (Unaudited)

### June 30, 2018

---

#### ***Alternative Compliance Payments***

In accordance with guidelines set forth by the Massachusetts Department of Energy Resources ("DOER"), any electric supplier that does not secure enough Renewable Energy Certificates ("RECs") to meet the Commonwealth's Renewable Portfolio Standard requirements shall be deemed in compliance if they make an Alternative Compliance Payment ("ACP"). MassCEC acts as the collection agent for ACP funds from electricity suppliers and holds these funds on behalf of DOER. From time to time the DOER, at its sole discretion, may decide to award funds from the ACP to MassCEC for its programs. These funds are reflected in the fiduciary fund financial statements.

#### **Program and Business-Type Divisions**

MassCEC has three programmatic divisions: the Renewable Energy Generation division, the Innovation and Industry Support division and the Investments division. MassCEC also has two proprietary funds, or business-type divisions: the Wind Technology Testing Center ("WTTC") and the New Bedford Marine Commerce Terminal ("Terminal").

Through its three programmatic divisions MassCEC is:

- Increasing statewide adoption of clean energy, while driving down the costs and delivering financial, environmental, and economic development benefits to ratepayers.
- Continuing to drive clean energy innovation.
- Supporting the creation of high-quality jobs and developing a trained workforce for a rapidly growing industry.
- Advancing innovative solutions that will lead to energy security and a safe, reliable, and resilient energy infrastructure.

#### **Renewable Energy Generation**

The Renewable Energy Generation division promotes and supports the deployment and installation of a variety of clean energy technologies to increase the use of energy from renewable energy sources throughout Massachusetts.

The Renewable Energy Generation division focuses on the following technologies:

- Solar - programs to incentivize homeowners and businesses to adopt the generation of electricity through the use of solar panels, build a standalone solar industry and organize communities and other stakeholder groups to drive down the cost of solar installation
- Wind - programs to assist land-based wind and offshore wind projects aimed at gathering science based data and analysis to support responsible permitting and development
- Hydroelectric Energy - programs to create electricity by capturing the energy of flowing water in addition to improving output of existing hydroelectric facilities
- Organics to Energy - programs to capture energy cost-effectively from certain types of organic material such as food waste
- Clean Heating and Cooling - programs to increase the use of cleaner heating and cooling technologies including air-source and ground-source heat pumps to heat and cool buildings, efficient biomass heating using wood pellets and chips, and thermal energy from sunlight for hot water applications
- Other - partnerships with other agencies monitor the energy production and effectiveness of renewable energy generation programs

# **Massachusetts Clean Energy Center**

## **Management's Discussion and Analysis (Unaudited)**

### **June 30, 2018**

---

#### **Innovation and Industry Support**

The Innovation and Industry Support division is charged with making Massachusetts a leading destination for clean energy and clean water technology companies by stimulating innovation and creating a fertile environment for technological advancement. It complements the mission of the other two divisions by working with new and existing companies and organizations to provide critical support, mentoring and resources, and helps to train the workforce needed to make clean energy companies run. Moreover, MassCEC engages with schools to provide student job training and employment opportunities in the clean energy field, provides support to incubators and business accelerators that nurture fledgling clean energy businesses and supports clean energy technology development and commercialization acceleration through strategic, competitive funding opportunities.

Although the platforms of the Innovation and Industry Support division differ, all enrich the reach of clean energy adoption through:

- Workforce Development – programs funding schools including high schools, vocational schools, colleges and community-based, job-training offerings for the development of a clean energy workforce at all levels of skill and interests
- Emerging Markets – programs offering competitive awards to the most innovative, effective, and impactful solutions to challenging energy and environmental issues
- Technology Development – programs offering competitive awards to technology innovators and to incubators and accelerators, which provide services, mentors and specialized equipment to stimulate the commercialization of new clean energy technology; and, support for clean energy research and development at Massachusetts-based universities
- Water Technology Innovation – programs designed to support the water innovation economy by offering competitive awards to the most promising water technology companies and innovators, particularly those offering solutions focused on the water energy nexus
- Other – programs funding projects that demonstrate reliability and resilience improvements to the grid

#### **Investments**

The Investments division stimulates and accelerates the development and commercialization of clean energy technologies in the Commonwealth through its support of promising early and growth stage clean energy companies. This support often supplements funding received from private sources and is provided in the form of grants, loans or equity investments to address funding gaps from early product development through commercial scale-up. The resulting economic development advances MassCEC's goals of advancing the state of technology and growing the clean energy industry, and leads to the creation of high value, private sector jobs.

# Massachusetts Clean Energy Center

## Management's Discussion and Analysis (Unaudited)

### June 30, 2018

---

#### **Wind Technology Testing Center**

The WTTC is the first commercial-scale large blade test facility in the nation, testing commercial-sized wind turbine blades to help reduce cost, improve technical advancements and expedite the deployment of the next generation of wind turbine blades into the marketplace. MassCEC managed the construction and development of the WTTC in Charlestown, Massachusetts and officially opened the facility in May 2011. The facility was partially funded by a U.S. Department of Energy American Recovery and Reinvestment Act ("ARRA") grant of approximately \$25 million. The facility has attracted business from companies well-known in the wind industry and is responsible, in part, for such companies designing, manufacturing and testing their blades in the United States.

#### **New Bedford Marine Commerce Terminal**

The Terminal is a multi-purpose facility designed to support the construction, assembly and deployment of offshore wind projects, as well as handle bulk, break-bulk, container and large specialty marine cargo. This first in the nation facility has been engineered to sustain mobile crane and storage loads that rival the highest capacity ports in the nation. The construction was primarily funded by \$105 million received from the Commonwealth.

The Terminal was placed into service in July 2015 and has since supported a variety of cargoes and customers. In fiscal year 2018, MassCEC leased portions of the Terminal to three private businesses and portions of the dock to eight private vessel companies. In September 2018, MassCEC signed a lease with an offshore wind developer who will utilize the terminal over an eighteen month period, beginning in fiscal year 2021. In FY18, the Terminal generated \$784,217 in revenue.

#### **Overview of the Financial Statements**

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

MassCEC's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

#### *Government-Wide Financial Statements*

The government-wide financial statements present both the governmental activities (governmental fund) and business-type activities (proprietary funds) of MassCEC on a full accrual basis of accounting. These statements include all assets and liabilities of MassCEC (including capital assets). Current year revenues and expenses are taken into account regardless of when cash is received or paid. Additionally, certain adjustments have occurred to eliminate interfund activity such as payables and receivables.

The Statement of Net Position and the Statement of Activities present MassCEC consolidated net position and the change from the prior year. Net position is the difference between assets and liabilities and represents a measurement of financial health of the organization. Over time, increases or decreases in net position indicate whether financial health is improving or deteriorating.



# Massachusetts Clean Energy Center

## Management's Discussion and Analysis (Unaudited)

### June 30, 2018

#### *Fund Financial Statements*

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. MassCEC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of MassCEC can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The fund financial statements include separate statements for: (i) the governmental activities, which are supported by intergovernmental revenues and legislatively mandated surcharges, (ii) the proprietary or business-type activities, which rely on fees and charges for support after the initial development period, and (iii) the fiduciary activities, which are comprised of custodial activities on behalf of other government agencies. All activities - governmental, proprietary, and fiduciary - are performed as part of carrying out MassCEC's essential governmental function.

Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. The governmental fund financial statements are prepared using the modified accrual basis of accounting. Governmental fund financial statements focus on the near term inflows and outflows of spendable resources, as well as on the balances remaining at year end that are available for spending. Because this information does not encompass the long-term focus of the government-wide financial statements, a reconciliation is provided that reconciles the governmental fund financial statements to the government-wide financial statements to explain the differences in the two methods of reporting.

MassCEC has two proprietary funds - the Wind Technology Testing Center and the New Bedford Marine Commerce Terminal. These funds are used to present our business-type activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

MassCEC uses fiduciary funds to account held for assets held on behalf of outside parties, including other governments. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support MassCEC's programs.

### Government-Wide Financial Analysis

#### Statement of Net Position

A condensed version of the Statement of Net Position for fiscal years ended June 30, 2018 and 2017 follows:

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<i>(in millions)</i>						
Noncapital Assets	\$ 214.4	\$ (1.7)	\$ 212.7	\$ 206.0	\$ 3.5	\$ 209.5
Capital Assets	0.8	123.1	123.9	0.8	123.2	124.0
<b>Total Assets</b>	<b>\$ 215.2</b>	<b>\$ 121.4</b>	<b>\$ 336.6</b>	<b>\$ 206.8</b>	<b>\$ 126.7</b>	<b>\$ 333.5</b>
Total Liabilities	4.6	4.9	9.5	4.4	4.6	9.0
Total Net Position	210.6	116.5	327.1	202.4	122.1	324.5
<b>Total Liabilities and Net Position</b>	<b>\$ 215.2</b>	<b>\$ 121.4</b>	<b>\$ 336.6</b>	<b>\$ 206.8</b>	<b>\$ 126.7</b>	<b>\$ 333.5</b>

# **Massachusetts Clean Energy Center**

## **Management's Discussion and Analysis (Unaudited)**

### **June 30, 2018**

---

#### **Statement of Net Position Highlights**

Total assets increased \$3.1 million or 0.9% in the current year, primarily due to intergovernmental cash received from a partner state agency to make awards under an Advancing Commonwealth Energy Storage program, offset by declines in cash and investments as awards are disbursed. Net investment in capital assets decreased by \$0.1 million or 0.1%, primarily due to depreciation related to Terminal assets.

Of MassCEC's total net position, \$123.9 million is comprised of capital assets and \$35.7 million is restricted for use by ACE, the RET and the operation of the Terminal and the WTTC. MassCEC has \$167.5 million in unrestricted net position.

Total liabilities were \$9.5 million, representing a \$0.5 million or 5.6% increase from the prior year, related to an increase of \$0.3 million in award expense accruals and \$0.2 million related to an increase in other accounts payable.

Net position increased \$2.6 million or 0.8% in the current year, primarily due to revenue exceeding expenses.

**Massachusetts Clean Energy Center**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2018**

**Statement of Activities**

A condensed version of the Statement of Activities for fiscal years ended June 30, 2018 and 2017 follows:

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<i>(in millions)</i>						
<b>Revenue</b>						
Renew able energy surcharge	\$ 22.3	\$ -	\$ 22.3	\$ 22.6	\$ -	\$ 22.6
Intergovernmental revenue	26.6	-	26.6	12.4	-	12.4
Terminal revenue	-	0.8	0.8	-	0.6	0.6
Testing revenue	-	1.3	1.3	-	1.5	1.5
<b>Total Revenue</b>	<b>48.9</b>	<b>2.1</b>	<b>51.0</b>	<b>35.0</b>	<b>2.1</b>	<b>37.1</b>
<b>Expenditures by Division</b>						
Renew able Energy Generation	34.4	-	34.4	35.1	-	35.1
Investments in Clean Technology	1.8	-	1.8	2.4	-	2.4
Innovation and Industry Support	12.7	-	12.7	8.1	-	8.1
New Bedford Marine Commerce Terminal	-	3.0	3.0	-	2.9	2.9
Wind Technology Testing Center	-	3.4	3.4	-	3.3	3.3
<b>Total Expenditures</b>	<b>48.9</b>	<b>6.4</b>	<b>55.3</b>	<b>45.6</b>	<b>6.2</b>	<b>51.8</b>
<b>Net operating income (loss)</b>	<b>-</b>	<b>(4.3)</b>	<b>(4.3)</b>	<b>(10.6)</b>	<b>(4.1)</b>	<b>(14.7)</b>
<b>Other income (expense), net</b>	<b>8.2</b>	<b>(1.3)</b>	<b>6.9</b>	<b>8.2</b>	<b>(1.8)</b>	<b>6.4</b>
<b>Change in net position</b>	<b>8.2</b>	<b>(5.6)</b>	<b>2.6</b>	<b>(2.4)</b>	<b>(5.9)</b>	<b>(8.3)</b>
<b>Net Position</b>						
Beginning of year	202.4	122.1	324.5	204.8	128.0	332.8
End of year	\$ 210.6	\$ 116.5	\$ 327.1	\$ 202.4	\$ 122.1	\$ 324.5

# **Massachusetts Clean Energy Center**

## **Management's Discussion and Analysis (Unaudited)**

### **June 30, 2018**

---

#### **Statement of Activities Highlights**

Revenues increased \$13.9 million or 37.5% in the current year, from \$37.1 million in fiscal year 2017 to \$51 million in fiscal year 2018. This increase is primarily due to a \$14.2 million increase in intergovernmental funding from 2017 to 2018, primarily related to funding received from a partner agency for various Renewable Energy Generation programs. Revenues can fluctuate widely year over year depending on the level of one-time sources of funding received.

Expenditures represent funds expended for financial assistance awards in the clean energy sector once the awardee has met the required milestones and terms of their award, as well as general and administrative expenditures. Expenditures increased \$3.5 million or 6.8% in the current year, mainly due to timing differences of when milestones are met and awards are disbursed, as well as the level of awards granted in the current year. There is the potential for timing differences to occur whereby awards are made in one fiscal year and expenditures are recognized in subsequent fiscal years, as for accounting purposes the expenditure is recorded when the recipient has achieved the required milestones per the grant agreement.

General and administrative expenses are included in the expenditure totals for each division. In fiscal year 2018, MassCEC incurred \$11.8 million of general and administrative expenses, a \$1.3 million increase from fiscal year 2017. This increase is largely attributed to an increase in personnel costs as a number of open positions were filled in the current year, combined with small increases to other G&A expenses.

Other income and expense increased \$0.5 million in the current fiscal year, primarily due to increased realized gains, interest, and investment income from trust investments.

**Massachusetts Clean Energy Center**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2018**

---

**Awards**

During the fiscal year ended on June 30, 2018, MassCEC provided financial assistance awards and investments in the clean energy sector totaling \$74.2 million. Financial assistance awards are legal commitments made to award recipients or to projects which directly benefit the Commonwealth. Awards may be contingent upon the grantee or project reaching certain milestones, and therefore are not recorded as grant expenditures in the accompanying financial statements until such time as the recipient achieves those milestones. Awards by division were as follows:

<b>Awards by Division</b> <i>(in millions)</i>	<b>Year Ended</b> <b>June 30, 2018</b>	<b>Year Ended</b> <b>June 30, 2017</b>
<i>Renewable Energy Generation Division</i>		
Solar	\$ 13.0	\$ 17.7
Wind	1.9	2.5
Hydro Energy	0.2	0.0
Organics to Energy	0.8	1.7
Clean Heating and Cooling	14.5	7.8
Other	8.1	3.4
<i>Total Renewable Energy Generation</i>	<u>38.5</u>	<u>33.1</u>
<i>Innovation and Industry Support Division</i>		
Emerging Markets	22.9	4.0
Technology Development	4.4	1.5
Workforce Development	4.4	1.5
Water Technology Innovation	0.5	-
Other	1.1	3.0
<i>Total Innovation and Industry Support</i>	<u>33.3</u>	<u>10.0</u>
<i>Investments Division</i>	2.4	5.0
<b>Total Awards</b>	<u><u>\$ 74.2</u></u>	<u><u>\$ 48.1</u></u>

Within the Renewable Energy Generation division, financial assistance awards related to solar technologies decreased \$4.7 million year over year from \$17.7 million in fiscal year 2017 to \$13 million in fiscal year 2018 primarily due to a decrease in awards for the Solar Loan program, as the program transitioned to a lower incentive level during the year. MassCEC administers the Mass Solar Loan program in partnership with DOER. Awards related to wind technologies decreased \$0.6 million year over year from \$2.5 million in fiscal year 2017 to \$1.9 million in fiscal year 2018. Clean Heating and Cooling awards increased from \$7.8 million in fiscal year 2017 to \$14.5 million in fiscal year 2018 reflecting increased awards for residential technologies, particularly air-source and ground-source heat pumps. The Other category represents several programs, and increased \$4.7 million year over year, primarily due to increased awards in the Affordable Access to Clean and Efficient Energy program and a \$3.3 million award in continued support of the Expanded Heat Loan Program, funded by a partner agency.

# **Massachusetts Clean Energy Center**

## **Management's Discussion and Analysis (Unaudited)**

### **June 30, 2018**

---

Financial assistance awards within the Innovation and Industry Support division increased \$23.3 million year over year, mainly due to awards made under the Advancing Commonwealth Energy Storage program.

Investments division awards decreased \$2.6 million from \$5.0 million in fiscal year 2017 to \$2.4 million in fiscal year 2018. This decrease is primarily due to \$1 million in venture debt awards that were made in fiscal year 2017, but not in fiscal year 2018.

#### **Fund Financial Analysis**

The primary fund of MassCEC, the governmental fund, ended the year with a fund balance of \$209.9 million, an increase of \$8.1 million, or 4%. The primary factor contributing to this increase is intergovernmental revenue received in fiscal year 2018 in excess of programmatic expenditures. The intergovernmental revenue amounts not utilized in the current year will be utilized for future year's programmatic awards and expenditures.

The WTTTC proprietary fund ended the year with a net position of \$29.1 million a decrease of \$2.1 million due to operating and non-operating expenses (including corporate allocations) in excess of testing revenue. \$1.4 million of the total operating expenses relates to depreciation on the building and other WTTTC assets.

The Terminal proprietary fund ended the year with a net position of \$87.4 million, a decrease of \$3.5 million due to operating and non-operating expenses (including corporate allocations) in excess of lease revenue. \$2.1 million of the total operating expenses relates to depreciation on the building and leasehold improvements at the Terminal.

The fiduciary fund ended the year with total assets of \$59.4 million. MassCEC acts as the collection agent for Alternative Compliance Payment ("ACP") funds from electricity suppliers and holds these in escrow on behalf of DOER. During the year ended June 30, 2018, MassCEC collected on behalf of DOER \$19.4 million of Alternative Compliance Payments, earned \$0.1 million in bank interest, and disbursed \$100.6 million. This asset and the offsetting liability are not presented separately or combined with totals in governmental activities and business-type activities, but are both presented in the fiduciary fund statements.

#### **Economic Factors**

MassCEC's most predictable and consistent form of income is the renewable energy surcharge which is received from participating energy distribution companies in Massachusetts. MassCEC receives surcharge revenue from investor-owned electric distribution utilities, as well as by municipal lighting plants that have opted to participate in the RET. Historically, MassCEC has received on average \$22-24 million in revenue per year. This revenue is influenced by energy consumption within the Commonwealth, as well as the number of participating distribution companies. In the future, an increase in the energy efficiency measures or clean and alternative energy utilization could cause a decrease in the average kilowatt consumption per year, thus decreasing the surcharge revenue collected and passed to MassCEC. These decreases would be offset by increases in energy consumption driven by growth in economic activity as well as growth in electric vehicle usage in the state.

#### **Requests for Information**

To obtain further information regarding current and future programs, prior year financials, current year budget highlights, and contact information for MassCEC employees, please refer to our website at: [www.masscec.com](http://www.masscec.com).

\* \* \* \* \*

**Massachusetts Clean Energy Center**  
**Statement of Net Position**  
**Year Ended June 30, 2018**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Noncapital Assets</b>			
Cash and cash equivalents - unrestricted	\$ 23,736,168	\$ 5,276,751	\$ 29,012,919
Cash and cash equivalents - restricted	35,665,197	-	35,665,197
Accounts receivable			
Renewable energy surcharge receivable	1,764,585	-	1,764,585
Accounts receivable - trade (Terminal net of allowance of \$19,108)	-	989,635	989,635
Due from (to) other funds	8,090,908	(8,090,908)	-
Other accounts receivable	52,262	-	52,262
Program loans receivable (net of allowance of \$1,687,454)	3,340,945	-	3,340,945
Other assets	283,726	59,439	343,165
Prepaid expenses	98,496	27,583	126,079
Trust Investments - unrestricted	134,227,178	-	134,227,178
Program investments (net of \$4,115,089 unrealized loss)	7,156,737	-	7,156,737
<b>Total Noncapital Assets</b>	<b>\$ 214,416,202</b>	<b>\$ (1,737,500)</b>	<b>\$ 212,678,702</b>
<b>Capital Assets (net of accumulated depreciation)</b>			
Land	-	3,628,349	3,628,349
Construction in progress	422,606	840,504	1,263,110
Buildings	-	25,819,202	25,819,202
Furniture and fixtures	57,814	8,877	66,691
Computer equipment and software	281,099	39,118	320,217
Operational equipment	-	355,209	355,209
Leasehold improvements	65,414	92,432,955	92,498,369
<b>Total Capital Assets</b>	<b>\$ 826,933</b>	<b>\$ 123,124,214</b>	<b>\$ 123,951,147</b>
<b>Total Assets</b>	<b>\$ 215,243,135</b>	<b>\$ 121,386,714</b>	<b>\$ 336,629,849</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses - trade	771,918	4,542,308	5,314,226
Accrued expenses - awards	3,657,456	-	3,657,456
Other liabilities	190,137	330,847	520,984
<b>Total Liabilities</b>	<b>\$ 4,619,511</b>	<b>\$ 4,873,155</b>	<b>\$ 9,492,666</b>
<b>Net Position</b>			
Invested in capital assets	826,933	123,124,214	123,951,147
Restricted for:			
Solar Loan	9,221,128	-	9,221,128
Water Innovation Trust	160,388	-	160,388
Escrow Accounts	486,733	-	486,733
Advancing Commonwealth Energy Storage	19,607,824	-	19,607,824
Affordable Clean Residential Energy	835,428	-	835,428
Reheat	3,100,537	-	3,100,537
HeatSmart	2,253,159	-	2,253,159
Unrestricted Net Position	174,131,494	(6,610,655)	167,520,839
<b>Total Net Position</b>	<b>\$ 210,623,624</b>	<b>\$ 116,513,559</b>	<b>\$ 327,137,183</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 215,243,135</b>	<b>\$ 121,386,714</b>	<b>\$ 336,629,849</b>

**Massachusetts Clean Energy Center  
Statement of Activities  
Year Ended June 30, 2018**

Program Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Primary Government</b>						
<b>Governmental Activities</b>						
<i>Alternative and Clean Energy Trust Fund</i>						
Investments in Clean Energy	\$ 1,745,881	\$ -	\$ -	\$ (1,745,881)	\$ -	\$ (1,745,881)
Innovation and Industry Support	12,662,623	-	10,000,000	(2,662,623)	-	(2,662,623)
<i>Renewable Energy Trust Fund</i>						
Renewable Energy Generation	34,365,008	-	16,570,908	(17,794,100)	-	(17,794,100)
Total Governmental Activities	48,773,512	-	26,570,908	(22,202,604)	-	(22,202,604)
<b>Business-Type Activities</b>						
New Bedford Marine Commerce Terminal	2,977,566	784,217	-	-	(2,268,349)	(2,268,349)
Wind Technology Testing Center	3,383,788	1,311,033	-	-	(2,072,755)	(2,072,755)
	6,361,354	2,095,250	-	-	(4,341,104)	(4,341,104)
<b>Total Primary Government</b>	<b>\$ 55,134,866</b>	<b>\$ 2,095,250</b>	<b>\$ 26,570,908</b>	<b>\$ (22,202,604)</b>	<b>\$ (4,341,104)</b>	<b>\$ (26,543,708)</b>
<b>General Revenue</b>						
Realized gains, interest, and investment income from trust investments				\$ 8,995,047	\$ -	\$ 8,995,047
Unrealized gain on trust investments				(385,712)	-	(385,712)
Other income (expense), net				(441,833)	(1,287,189)	(1,729,022)
Renewable energy surcharge				22,263,699	-	22,263,699
Total General Revenue				30,431,201	(1,287,189)	29,144,012
Change in net position				8,228,597	(5,628,293)	2,600,304
<b>Net Position</b>						
Beginning of year				202,395,027	122,141,852	324,536,879
End of Year				\$ 210,623,624	\$ 116,513,559	\$ 327,137,183



**Massachusetts Clean Energy Center  
Balance Sheet - Governmental Fund  
June 30, 2018**

---

**Assets**

Cash and cash equivalents	
Cash and cash equivalents - unrestricted	\$ 23,736,168
Cash and cash equivalents - restricted	35,665,197
Total cash and cash equivalents	<u>59,401,365</u>
Receivables	
Renewable energy surcharge receivable	1,764,585
Due from other funds	8,090,908
Program loans receivable (net of allowance of \$1,687,454)	3,340,945
Other receivables	52,262
Total receivables	<u>13,248,700</u>
Other Assets	283,726
Prepaid expenses	98,496
Trust Investments - unrestricted	134,227,178
Program investments (net of \$4,115,089 unrealized loss)	7,156,737
Total Other Assets	<u>141,766,137</u>
Total assets	<u>\$ 214,416,202</u>

**Liabilities**

Accounts payable and accrued expenses - trade	\$ 646,048
Accrued awards	3,657,456
Other liabilities	190,137
Total liabilities	<u>4,493,641</u>

**Fund Balance**

Nonspendable	382,222
Restricted	35,665,197
Committed	85,963,349
Assigned	14,719,330
Unassigned	73,192,463
Total fund balance	<u>209,922,561</u>

<b>Total Liabilities and Fund Balance</b>	<u>\$ 214,416,202</u>
---	-----------------------

Amounts reported for governmental funds above and those reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in funds (net of accumulated depreciation)	\$ 826,933
Straight-line rent calculated for reporting purposes is not considered an expense and therefore is not reported in funds	(125,870)
Net position of governmental activities	<u>\$ 210,623,624</u>

**Massachusetts Clean Energy Center  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Governmental Fund  
Year Ended June 30, 2018**

---

**Revenues**

Renewable energy surcharge	\$ 22,263,699
Intergovernmental revenue	26,570,908
Net increase in realizable value of program loans	145,962
Net decrease in carrying and fair value of program investments	(872,117)
Interest and investment income from trust investments	3,179,876
Net increase in realized fair value of trust investments	5,815,172
Net decrease in unrealized fair value of trust investments	(385,713)
Net increase in other revenues	293,125
Total revenues	<u>\$ 57,010,912</u>

Renewable Energy Generation	34,084,640
Investments in Clean Technology	1,717,606
Innovation and Industry Support	12,607,055
Program expense	166,309
Capital outlay	292,309
Total expenditures	<u>\$ 48,867,919</u>

Net operating income 8,142,993

Fund balance beginning of year	\$ 201,779,568
Fund balance end of year	<u>\$ 209,922,561</u>

Amounts reported for governmental funds above and those reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

\$ (85,609)

Straight-line rent calculated for reporting purposes is not considered an expense for Fund perspective reporting and therefore is not reported in Funds.

5

Change in net assets of governmental activities	<u>\$ 8,228,597</u>
---	---------------------

**Massachusetts Clean Energy Center**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2018**

	Wind Technology Testing Center	New Bedford Marine Commerce Terminal	Total Business-Type Activities
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents - unrestricted	\$ 5,276,751	\$ -	\$ 5,276,751
Accounts receivable (Terminal net of allowance of \$19,108)	794,723	194,912	989,635
Due to (from) other funds	(1,643,090)	(6,447,818)	(8,090,908)
Other assets	59,439	-	59,439
Prepaid expenses	27,583	-	27,583
	<u>4,515,406</u>	<u>(6,252,906)</u>	<u>(1,737,500)</u>
<b>Non-Current Assets</b>			
Land	-	3,628,349	3,628,349
Construction in progress	840,504	-	840,504
Building	24,604,717	1,214,485	25,819,202
Furniture and fixtures	-	8,877	8,877
Computer equipment and software	39,118	-	39,118
Operational equipment	349,446	5,763	355,209
Leasehold improvements	16,389	92,416,566	92,432,955
Total capital assets	<u>25,850,174</u>	<u>97,274,040</u>	<u>123,124,214</u>
<b>Total assets</b>	<u>\$ 30,365,580</u>	<u>\$ 91,021,134</u>	<u>\$ 121,386,714</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses - trade	1,226,450	3,315,858	4,542,308
Other liabilities	17,644	313,203	330,847
Total liabilities	<u>\$ 1,244,094</u>	<u>\$ 3,629,061</u>	<u>\$ 4,873,155</u>
<b>Net Position</b>			
Invested in capital assets	25,850,174	97,274,040	123,124,214
Unrestricted	3,271,312	(9,881,967)	(6,610,655)
Total net position	<u>\$ 29,121,486</u>	<u>\$ 87,392,073</u>	<u>\$ 116,513,559</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 30,365,580</u>	<u>\$ 91,021,134</u>	<u>\$ 121,386,714</u>

**Massachusetts Clean Energy Center  
Statement of Revenue, Expenditures, and  
Changes in Net Position - Proprietary Funds  
Year Ended June 30, 2018**

	<b>Wind Technology Testing Center</b>	<b>New Bedford Marine Commerce Terminal</b>	<b>Total Business-Type Activities</b>
<b>Operating revenue</b>			
Testing revenue	\$ 1,311,033	\$ -	\$ 1,311,033
Terminal revenue	-	784,217	784,217
Total revenue	<u>1,311,033</u>	<u>784,217</u>	<u>2,095,250</u>
<b>Operating expenses</b>			
Personnel	728,738	199,208	927,946
Operational expenses	659,271	589,711	1,248,982
Facility expenses	579,760	156,780	736,540
Depreciation expense	1,416,019	2,106,867	3,522,886
Total expenditures	<u>3,383,788</u>	<u>3,052,566</u>	<u>6,436,354</u>
Net operating loss	(2,072,755)	(2,268,349)	(4,341,104)
<b>Non-operating revenues (expenses)</b>			
Interest income	7,883	455	8,338
Other expenses	-	(1,295,527)	(1,295,527)
Total non-operating revenues (expenses)	<u>7,883</u>	<u>(1,295,072)</u>	<u>(1,287,189)</u>
Change in net position	<u>(2,064,872)</u>	<u>(3,563,421)</u>	<u>(5,628,293)</u>
<b>Net Position</b>			
Beginning of year	31,186,358	90,955,494	122,141,852
End of year	<u>\$ 29,121,486</u>	<u>\$ 87,392,073</u>	<u>\$ 116,513,559</u>

**Massachusetts Clean Energy Center  
Statement of Cash Flows - Proprietary Funds  
Year Ended June 30, 2018**

	Wind Technology Testing Center	New Bedford Marine Commerce Terminal	Total Business-Type Activities
<b>Cash flows from operations</b>			
Receipts from customers	\$ 1,311,033	\$ 784,217	\$ 2,095,250
Payments to suppliers	(2,655,049)	(2,778,359)	(5,433,408)
Payments to employees	(728,738)	(199,208)	(927,946)
Non-cash depreciation	1,416,019	2,106,867	3,522,886
Other inflows	1,180,082	2,946,068	4,126,150
Net cash provided by operating activities	<u>\$ 523,347</u>	<u>\$ 2,859,585</u>	<u>\$ 3,382,932</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisitions and construction of capital assets	(505,704)	(4,268,720)	(4,774,424)
Net cash used for capital and related financing activities	<u>(505,704)</u>	<u>(4,268,720)</u>	<u>(4,774,424)</u>
<b>Cash flows from investing activities</b>			
Interest and other income received	7,883	455	8,338
Net cash provided by investing activities	<u>7,883</u>	<u>455</u>	<u>8,338</u>
<b>Cash</b>			
Net increase (decrease) in cash and cash equivalents	25,526	(1,408,680)	(1,383,154)
Beginning of period	5,251,225	1,408,680	6,659,905
End of period	<u>\$ 5,276,751</u>	<u>\$ -</u>	<u>\$ 5,276,751</u>
<b>Reconciliation of operating loss to net cash provided by operating activities</b>			
Operating loss	(2,072,755)	(2,193,350)	(4,266,105)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation expense	1,416,019	2,106,867	3,522,886
Non-cash rent	62,136	-	62,136
Decrease in prepaid expenses and other assets	(25,788)	-	(25,788)
Increase in accounts receivable and other assets	(308,247)	(14,681)	(322,928)
Decrease in accounts payable and other liabilities	1,451,982	2,960,749	4,412,731
Net cash provided by operating activities	<u>\$ 523,347</u>	<u>\$ 2,859,585</u>	<u>\$ 3,382,932</u>

**Massachusetts Clean Energy Center  
Statement of Net Position - Fiduciary Fund  
June 30, 2018**

---

	<b>Alternative Compliance Payments</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 59,448,021
<b>Total assets</b>	<u>\$ 59,448,021</u>
<b>Liabilities</b>	
Funds held in trust	\$ 59,448,021
<b>Total liabilities</b>	<u>\$ 59,448,021</u>

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 1. Significant Accounting Principles

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (“GASB”).

#### Reporting Entity

On August 12, 2008, the Commonwealth of Massachusetts (the "Commonwealth") enacted Chapter 307 of the Acts of 2008, creating the Massachusetts Clean Energy Center (“MassCEC”) and establishing the Massachusetts Alternative and Clean Energy Investment Trust Fund ("ACE") to financially support its activities. MassCEC’s mission is to grow the state’s clean energy industry while helping to meet the Commonwealth’s clean energy and climate goals. MassCEC increases renewable energy adoption while driving down the cost of renewable energy, continues to drive innovation in clean energy, ensures a trained workforce in the clean energy industry, and advances innovative solutions that will lead to energy security and resiliency.

On November 23, 2009, “Act Relative to Clean Energy,” was signed, which transferred the state’s Renewable Energy Trust Fund (the “RET”) from the Massachusetts Technology Park Corporation (“MTPC”) to MassCEC. This act united two entities with complementary missions, consolidated staff and financial resources, and established MassCEC as the lead state entity charged with growing the clean energy sector in the Commonwealth. The RET was created in 1997 by the Massachusetts Legislature pursuant to Section 4E of Chapter 40J, with a mission of supporting the installation of renewable energy projects throughout the Commonwealth.

MassCEC is governed by a board of directors (the “Board”) comprised of twelve members, including five members appointed by the governor and seven state officials that serve in an *ex officio* capacity.

#### Government-Wide and Fund-Level Financial Statements

MassCEC’s basic financial statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

The government-wide financial statements provide an overview of MassCEC’s financial position using the accrual basis of accounting. The Statement of Net Position presents information on all of the non-fiduciary assets and liabilities of MassCEC as a whole. The difference between assets and liabilities is reported as net position. Changes in net position may serve as an indicator of whether the financial position of MassCEC is improving or deteriorating. The Statement of Activities presents information showing how MassCEC’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenue and expenses reported in the Statement of Activities will have cash flows in future fiscal periods.

The government-wide financial statements presentation distinguishes between activities that are supported primarily by surcharges and intergovernmental revenues (governmental activities) and activities that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of MassCEC include Renewable Energy Generation (“REG”), Innovation and Industry Support (“IIS”), and Investments in Clean Energy (“Investments”). The business-type activities of MassCEC include the New Bedford Marine Commerce Terminal (the “Terminal”) and the Wind Technology Testing Center (the “WTTC”).

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 1. Significant Accounting Principles (Continued)

#### Government-Wide and Fund-Level Financial Statements (Continued)

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MassCEC uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions. All of the funds of MassCEC may be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Most of MassCEC's basic services are reported in governmental funds, which focus on how money or other spendable financial resources flow into and out of those funds and the balances left at year-end that are available for spending. The governmental fund financial statements are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of MassCEC's general operations and the basic services it provides. The measurement focus is based upon determination of changes in financial resources. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance MassCEC's programs. There is a reconciliation of the governmental activities presented in the Statement of Net Position and the Statement of Activities to the governmental fund presented in the fund financial statements.

The governmental fund is used to account for and report all financial resources not accounted for and reported in another fund and is the primary operating fund of MassCEC.

MassCEC maintains one type of proprietary fund, the enterprise funds, which are used to report the same functions presented as business-type activities in the government-wide financial statements. MassCEC uses enterprise funds to account for the Terminal and the WTTC. These two operations are considered to be major proprietary funds of MassCEC. The measurement focus is based on changes in economic resources. MassCEC's two proprietary funds are described below:

The Terminal Fund is used to account for the operations of the Terminal.

The WTTC Fund is used to account for the operations of the WTTC.

MassCEC maintains one type of fiduciary fund, an agency fund, in which funds related to Alternative Compliance Payments ("ACP") are recorded. In accordance with guidelines set forth by the Department of Energy Resources ("DOER"), MassCEC acts as the collection agent for ACPs mandated upon electricity suppliers and the funds are disbursed based on direction from the DOER.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

The accounting and financial reporting treatment of transactions is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets less all liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.



# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 1. Significant Accounting Principles (Continued)

#### **Government-Wide and Fund-Level Financial Statements (Continued)**

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting.

With the economic resources measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. With the accrual method of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Government-wide financials, proprietary fund financial statements, and fiduciary fund financial statements show increases (revenues) and decreases (expenses) in net position.

Governmental fund financial statements are presented using the current financial resources and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of this fund shows increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, when they are both measurable and available to pay liabilities of the current period. For this purpose, MassCEC considers revenues to be available if they are collected within 60 days of year-end. Revenues not considered available are recorded as deferred inflows.

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of highly liquid interest-bearing deposits and money market accounts with a credible banking institution, and are determined to be restricted or unrestricted based on the intention of fund usage. Restricted cash is funding designated for a specific purpose and therefore not available for general business use. Restricted cash consists of funding for the following programs: Mass Solar Loan, Water Innovation, Advancing Commonwealth Energy Storage (ACES), Affordable Access to Clean and Efficient Energy (AACEE), HeatSmart, ReHeat, New England Wind, and the SolarOne Guarantee.

#### **Renewable Energy Surcharge Receivable**

The renewable energy surcharge receivable represents legislatively imposed surcharges due from electric utility companies paid to them by their consumers in support of the renewable energy programs of MassCEC. No allowances are established against these receivables as all balances are deemed to be fully collectible.

#### **Program Loans Receivable**

Program loans receivable consist of loans to companies to accelerate job growth, economic and/or project development and technological innovation in the Commonwealth. Such amounts are reported net of an allowance for uncollectible loans. This allowance is established based on management's assessment of the collectability of the loan portfolio and are reassessed at least annually. These loans bear interest at rates ranging from 6.75% to 9.0% and mature during calendar years 2020 through 2026, or in some cases not until the project is sold or commences operations.

#### **Program Investments**

Program investments represent equity investments in new and existing clean energy companies consistent with MassCEC's legislative intent. These investments are valued using the cost method in accordance with GASB No. 62, meaning investments are held at cost or cost less other than temporary impairment adjustments. Privately-held equity investments are valued based on a fundamental business and operation analysis performed by management on each investment.

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 1. Significant Accounting Principles (Continued)

#### Investments

Trust Investments are made up of various fixed income, equity securities, mutual funds and other investments that are categorized as committed, assigned, and unassigned. All categories are reported at fair value. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. Fixed income securities and common stocks are valued based on published market prices and quotations from national security exchanges and securities pricing services. Net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value.

Investment expenses consist of external expenses directly related to MassCEC's investment operations, as well as the internal administrative expenses associated with MassCEC's investment program. Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the ex-dividend date. Other investment income is recognized when earned.

#### Fair Value Measurements

MassCEC reports certain assets and liabilities at fair value on a recurring and nonrecurring basis depending on the underlying accounting policy for the particular item in accordance with fair value measurement standards. Recurring fair value measures include trust investments. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. In addition, MassCEC reports certain investments using the Net Asset Value ("NAV") per share as determined by investment managers under the so called "practical expedient." The practical expedient allows NAV per share to represent fair value for reporting purposes when the criteria for using this method are met. Fair value standards also require MassCEC to classify financial instruments (but for those measured using NAV) into a three-level hierarchy, based on the priority of inputs to the valuation technique. Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1—Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include listed equity and debt securities publicly traded on a stock exchange

Level 2—Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies

Level 3—Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 1. Significant Accounting Principles (Continued)

#### Fair Value Measurements (Continued)

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that changes in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of MassCEC's financial instruments, see Note 6 – Fair Value Measurements.

All of MassCEC's trust investments are reported using Level 1, Level 2, and NAV measurements.

#### Capital Assets

Capital assets are recorded at cost, net of accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. The estimated useful life of the asset categories are as follows:

Buildings	30 - 40 years
Leasehold improvements – New Bedford Marine Commerce Terminal	50 years
Leasehold improvements	The lesser of 5 years or the remaining life of the lease
Operational equipment	2-7 years
Computer equipment and software	3-5 years
Furniture and fixtures	5 years

#### Capitalization Policy

All costs over \$1,000 related to leasehold improvements, operational equipment, furniture and fixtures, and computer equipment and software are capitalized.

#### Fund Balance

Fund balances are reported in classifications based on whether the amounts are non-spendable or spendable.

Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples include prepaid assets and deposits.

Spendable amounts are classified based on the extent to which there are external and/or internal constraints in how the fund balance amounts may be spent.

Amounts that are restricted to specific purposes either by constraints (a) placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances.

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 1. Significant Accounting Principles (Continued)

#### Fund Balance (Continued)

Amounts that are constrained for specific purposes that are internally imposed by MassCEC's highest level of decision making authority, the Board, are classified as committed fund balances.

Amounts that are constrained by MassCEC's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances.

Unassigned fund balance represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is MassCEC's policy to use restricted resources first, then unrestricted resources as needed. When unrestricted resources are available for use it is MassCEC's policy to use committed resources first, then assigned resources and then unassigned resources as needed.

MassCEC has not formally adopted a minimum fund balance policy.

#### Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. MassCEC's net position is comprised of two categories:

*Net investment in capital assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

*Restricted net position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation.

#### Revenue Recognition

Under accrual accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenue is considered available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally within 60 days of the fiscal year-end.

Renewable Energy Surcharge revenue is recognized when it is both measurable and available. Intergovernmental revenues are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, and the funds are available. WTTC testing revenue and Terminal revenue is recognized when it is earned. Significant accrued revenues include earned renewable energy surcharges.

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 1. Significant Accounting Principles (Continued)

#### Proprietary Funds Operating and Non-Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the WTTTC and Terminal are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### Expenditures

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Grant expenditures are recognized when all material conditions related to the grant agreement have been met. Management reviews all active grant agreements and, based on the best available information, develops an estimate of incurred grant expenditures where no reimbursement request has been received. These amounts are recorded as "Accrued expenses - awards" in the Statement of Net Position and Governmental Fund Balance Sheet. Management uses a historical average to determine the incurred but not reported grant accrual. General capital asset acquisitions are reported as expenditures in governmental funds.

#### Budgets

Annual budgets are prepared by management. An annual budget is presented to the Board of Directors for approval and adoption. Periodically, Management and the Board of Directors reviews budget-to-actual results and addresses projected material variances. The budget process is used for management purposes and is not considered a legally adopted budget. Therefore, supplemental information is not required as part of these financial statements.

#### Income Taxes

Pursuant to Massachusetts General Laws Chapter 307, the operations of MassCEC constitute the performance of an essential government function and are, therefore, exempt from taxation by and within the Commonwealth. Additionally, MassCEC is exempt from Federal and State income taxes.

#### Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates. Significant estimates include allowances for doubtful accounts and program loans receivable, the valuation of program investments, and the useful lives of capital assets.

#### Recent Accounting Pronouncements

In November 2016, the GASB issued GASB No. 83 – *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The requirements of this Statement are effective for reporting period beginning after June 15, 2018. Earlier application is encouraged. The implications on the fiscal practices and financial reports are being evaluated.

In January 2017, the GASB issued GASB No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The implications on the fiscal practices and financial reports are being evaluated.

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 1. Significant Accounting Principles (Continued)

#### Recent Accounting Pronouncements (Continued)

In June 2017, the GASB issued GASB No. 87 – *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The implications on the fiscal practices and financial reports are being evaluated.

In August 2018, the GASB issued GASB No. 90 – *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legal separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The implications on the fiscal practices and financial reports are being evaluated.

#### Subsequent Events

MassCEC has evaluated subsequent events through November 14, 2018, the date that the financial statements were available to be issued.

### 2. Division Activity

MassCEC utilizes divisions, each with various distinct programs or businesses, to perform its mission.

MassCEC has three programmatic divisions: the REG division, the IIS division and the Investments division. MassCEC also has two business-type divisions: the WTTC and the Terminal.

Through its three programmatic divisions MassCEC is:

- Increasing statewide adoption of clean energy, while driving down the costs and delivering financial, environmental, and economic development benefits to ratepayers.
- Continuing to drive clean energy innovation.
- Supporting the creation of high-quality jobs and developing a trained workforce for a rapidly growing industry.
- Advancing innovative solutions that will lead to energy security and a safe, reliable, and resilient energy infrastructure.

#### Renewable Energy Generation

The REG division of MassCEC promotes and supports the deployment and installation of a variety of clean energy technologies to increase the use of energy from renewable energy sources throughout Massachusetts. Funding for the REG division is primarily provided by the RET.

The Electric Utility Restructuring Act of 1997 provides for a charge on each kilowatt hour of electricity purchased by consumers in the service territories of investor-owned electric distribution utilities to support a broad range of activities related to renewable energy. Under this law, a mandatory charge per kilowatt-hour is assessed for all investor-owned electric utility consumers, as well as municipal

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 2. Division Activity (Continued)

#### Renewable Energy Generation (Continued)

plants that opt into the RET. This surcharge is remitted to MassCEC to fund programs that promote the development of renewable energy projects. From July 1, 2017 through June 30, 2018 the surcharge was based on \$0.0005/KWH and resulted in recognition of \$22,263,699 in revenue, of which \$1,764,585 was recorded as renewable energy surcharge receivable on the Statement of Net Position at June 30, 2018. In addition, during this period the RET recognized \$6,140,007 in interest income and program gains, mostly from investments and sales of renewable energy certificates from projects supported in previous years. From July 1, 2017 through June 30, 2018, MassCEC's REG division recognized \$34,365,008 as expenditures across its programs.

#### Innovation and Industry Support

MassCEC recognized \$12,662,623 as expenditures in fiscal year 2018 in the IIS division, which is charged with making Massachusetts a leading destination for clean energy and clean water technology companies by stimulating innovation and creating an environment for technological advancement. It complements the mission of the other two divisions by working with new and existing companies and organizations to provide critical support, mentoring and resources, and helps to train the workforce needed to make clean energy companies run. Moreover, MassCEC engages with schools to provide student job training and employment opportunities in the clean energy field, provides support to incubators and business accelerators that nurture fledgling clean energy businesses and encourages clean energy ideas.

#### Investments in Clean Energy

The Investments division stimulates and accelerates the commercialization of clean energy technologies in the Commonwealth through its support of promising early and growth stage clean energy companies. This support is often supplementary to funding received from private, state and federal sources and is provided in the form of grants, loans or equity investments to address funding gaps primarily through the early development lifecycle. The resulting economic development advances MassCEC's goal of growing the clean energy sector and leads to the creation of high value, private sector jobs.

During fiscal year 2018, MassCEC recognized \$1,745,881 as expenditures and program investments in the Investments division. In addition, during this period MassCEC recognized a loss of \$800,674 due to write downs in certain investments, which were offset by investment program return of capital, gains, and interest income.

#### New Bedford Marine Commerce Terminal

MassCEC manages the operations of the New Bedford Marine Commerce Terminal, a multi-purpose facility designed to support the construction, assembly and deployment of offshore wind projects, as well as handle bulk, break-bulk, container and large specialty marine cargo. The construction of the Terminal was completed in 2015. In fiscal year 2018, MassCEC leased portions of the Terminal to three private businesses and portions of the dock to eight private vessel companies, and MassCEC is working to recruit additional customers for fiscal year 2019. In September 2018, MassCEC signed a lease with an offshore wind developer who will utilize the terminal over an eighteen month period, beginning in fiscal year 2021.

#### Wind Technology Testing Center

The WTTTC is the first commercial-scale large blade test facility in the nation, testing commercial-sized wind turbine blades to help reduce cost, improve technical advancements and expedite the deployment of the next generation of wind turbine blades into the marketplace. The facility has attracted world renowned companies to Massachusetts and is responsible, in part, for such companies designing, manufacturing and testing their blades in the United States. As of June 30, 2018, 99 percent of sales and receivables were concentrated in one customer.

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 3. Alternative Compliance Payments

In accordance with guidelines set forth by Massachusetts legislation, MassCEC acts as the collection agent for the ACP mandated upon electricity suppliers. Any electric supplier that did not secure enough Renewable Energy Certificates (“RECs”) to meet the Renewable Portfolio Standard requirements shall be deemed in compliance if they make an ACP to MassCEC. From July 1, 2017 through June 30, 2018 MassCEC received \$19,206,319 from electricity suppliers in ACP payments. The funds are held in a restricted custodial depository account that earned \$86,986 of income during 2018 and will be utilized in a manner directed by DOER. For the year ended June 30, 2018, MassCEC was awarded grants from the DOER for \$26,268,796 from ACP funds for the development of programs. These amounts are included within the Intergovernmental Revenues on the Governmental Fund’s Statement of Revenues, Expenditures, and Changes in Fund Balance.

### 4. Proprietary Funds Operating and Non-Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the WTTTC and the Terminal are charges to customers for services, lease revenues, and dockage fees. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### 5. Cash and Cash Equivalents and Investments

The following summarizes the cash and cash equivalents of MassCEC and identifies certain types of investment risk as defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, at June 30, 2018.

#### Custodial Credit Risk

The custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be recovered. MassCEC’s cash and cash equivalents are held by a credible banking institution, while MassCEC’s trust investments are held with a reputable custodial institution. The credit of these institutions and the credit of the underlying investments has been reviewed by management and deemed to meet a risk profile consistent with MassCEC’s Investment Policy.

Cash and cash equivalents	
Primary government	\$ 64,678,116
Fiduciary fund	59,448,021
<b>Total cash and cash equivalents</b>	<b>\$ 124,126,137</b>
Insured	\$ 500,000
Uninsured and uncollateralized	123,626,137
<b>Total cash and cash equivalents</b>	<b>\$ 124,126,137</b>



# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

### 5. Cash and Cash Equivalents and Investments (Continued)

#### Concentration of Investment Credit Risk

Concentration of investment credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. MassCEC's trust investment policy contains limitations as to how much can be invested with any asset class. The table below summarizes the ratings of relevant fixed income investments of MassCEC.

Investment Type	Credit Risk (Moody's / S&P)				Not	Total
	Aaa / AAA	Aa / AA	A / A	Baa / BBB	Investment Grade	
Cash	\$ 732,586	\$ -	\$ -	\$ -	\$ -	\$ 732,586
Debt Securities - Corporate, Muni's	6,635,801	12,201,534	4,827,613	13,648,918	2,543,206	39,857,072
Fixed Income Securities (Treasury Notes, GNMA's)	24,310,726	-	-	-	-	24,310,726
Fixed Income Mutual Funds	-	11,378,953	-	-	-	11,378,953
	<u>\$31,679,113</u>	<u>\$23,580,487</u>	<u>\$ 4,827,613</u>	<u>\$13,648,918</u>	<u>\$ 2,543,206</u>	<u>\$76,279,337</u>

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of MassCEC's cash equivalents and trust investments. MassCEC manages its exposure to interest rate risk by investing in money market securities whose underlying holdings have original maturities of ninety days or less. Trust investments include various short-term and long-term investments that could be impacted by interest rate changes. MassCEC manages its exposure to interest rate risk by investing a substantial portion of this balance in short-term fixed income mutual funds and Treasury bills.

#### Market Risk – Program Investments and Trust Investments

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates, commodity prices, and other relevant market rate or price changes. Management has formal periodic meetings with its investment advisors to review and assess the current health of its portfolio and to perform rebalancing procedures as necessary.

Program investments are comprised of equity investments in small private companies. Inherent in making such investments is the risk that all invested capital will be lost. Management performs due diligence procedures before making investments in order to mitigate this risk. Additionally, management has periodic meetings with the management teams at our program investments to assess the current health of the company and related investment.

**Massachusetts Clean Energy Center**  
**Notes to Financial Statements**  
**June 30, 2018**

**6. Fair Value Measurements**

The following table presents financial assets at June 30, 2018, that MassCEC measures fair value on a recurring basis, by level, within the fair value hierarchy:

	Level 1	Level 2	Investments Measured at NAV	Total
<b>Trust Investments</b>				
<b>Bonds</b>				
US Government	\$ -	\$ 24,720,624	\$ -	\$ 24,720,624
Corporate	-	24,285,726	-	24,285,726
International	-	4,270,221	-	4,270,221
Municipal	-	11,301,125	-	11,301,125
Equity funds	26,308,703	-	-	26,308,703
Mutual funds	42,021,175	-	-	42,021,175
Private equity fund	-	-	1,319,604	1,319,604
<b>Total</b>	<b>\$ 68,329,878</b>	<b>\$ 64,577,696</b>	<b>\$ 1,319,604</b>	<b>\$ 134,227,178</b>

**7. Capital Assets**

Capital Assets of MassCEC at June 30, 2018, are summarized as follows:

	Governmental Activities Capital Asset Additions Net of Depreciation		
	Balance June 30, 2017	Additions	Balance June 30, 2018
Construction in progress	\$ 287,648	\$ 134,958	\$ 422,606
Furnitures and fixtures	342,065	5,286	347,351
Computer equipment and software	610,436	144,957	755,393
Leasehold improvements	132,539	7,108	139,647
	<u>1,372,688</u>	<u>292,309</u>	<u>1,664,997</u>
<b>Less accumulated depreciation</b>			
Furnitures and fixtures	225,279	64,259	289,538
Computer equipment and software	357,284	117,009	474,293
Leasehold improvements	48,801	25,432	74,233
	<u>631,364</u>	<u>206,700</u>	<u>838,064</u>
Capital Assets (net of accumulated depreciation)	<u>\$ 741,324</u>	<u>\$ 85,609</u>	<u>\$ 826,933</u>

**Massachusetts Clean Energy Center**  
**Notes to Financial Statements**  
**June 30, 2018**

**7. Capital Assets (Continued)**

	<b>Business-Type Activities - Combined</b>		
	<b>Capital Asset Additions Net of Depreciation</b>		
	<b>Balance</b>		<b>Balance</b>
	<b>June 30, 2017</b>	<b>Additions</b>	<b>June 30, 2018</b>
Land	\$ 2,883,098	\$ 745,251	\$ 3,628,349
Construction in progress	334,800	505,704	840,504
Buildings	32,327,367	1,235,103	33,562,470
Furnitures and fixtures	98,169	9,026	107,195
Computer equipment and software	367,185	-	367,185
Operational equipment	2,673,121	1,626	2,674,747
Leasehold improvements	97,532,166	907,190	98,439,356
	<u>136,215,906</u>	<u>3,403,900</u>	<u>139,619,806</u>
<b>Less accumulated depreciation</b>			
Buildings	6,645,071	1,098,197	7,743,268
Furnitures and fixtures	98,168	149	98,317
Computer equipment and software	301,454	26,614	328,068
Operational equipment	2,014,797	304,741	2,319,538
Leasehold improvements	3,913,216	2,093,185	6,006,401
	<u>12,972,706</u>	<u>3,522,886</u>	<u>16,495,592</u>
Capital Assets (net of accumulated depreciation)	<u>\$ 123,243,200</u>	<u>\$ (118,986)</u>	<u>\$ 123,124,214</u>

**8. Defined Contribution Plans**

MassCEC has adopted a Simplified Employee Pension ("SEP") plan, and a 457(b) and 401(a) deferred compensation plan, which are administered by Fidelity Investments and Alerus Retirement Solutions, respectively.

Under the SEP plan, MassCEC makes a quarterly contribution equal to 15% of each employee's eligible wages (as defined by the plan) to their retirement account. For the year ended June 30, 2018, MassCEC's total contributions were \$877,194.

Under the 457(b) and 401(a) plans, MassCEC matches 50% of employees' contributions with a maximum MassCEC contribution of 3% of the employee's salary. Employee contributions to the 457(b) account are subject to the annual IRS limits, while the employer match is housed in the related 401(a) account. For the year ended June 30, 2018, MassCEC's total contributions were \$144,631.

**9. Inter-Fund Activity**

MassCEC reports inter-fund activity between the governmental and business-type activities which primarily consist of accounts receivable and accounts payable transactions between the funds. The balances presented in the table agree with the sum of internal balances presented in the governmental and proprietary fund financial statements.

**Massachusetts Clean Energy Center**  
**Notes to Financial Statements**  
**June 30, 2018**

---

**9. Inter-Fund Activity (Continued)**

Internal balances between funds at June 30, 2018, consisted of the following:

Receivable Fund	Payable Fund	Amount
Governmental Fund	Terminal	\$ 6,447,818
Governmental Fund	WTTC	\$ 1,643,090
	<b>Total</b>	<b>\$ 8,090,908</b>

These balances are made up of inter-fund transfers, which are used to move funds considered financial expenditures in one fund to support the activities within another fund. The transfers made within fiscal year 2018 are related to the governmental fund, making financial expenditures to fund the activities of the Terminal and the WTTC.

**10. Leases**

**Office Leases**

On September 30, 2013, MassCEC entered into a lease agreement for office space in Boston, Massachusetts for a term of ninety-seven months beginning on January 6, 2014 and ending January 31, 2022. The eight-year lease includes rent escalation every two years. Rent expense is recognized on a straight-line basis over the lease term. At June 30, 2018, MassCEC had a \$125,870 deferred rent liability on the office lease included in the accounts payable and accrued expenses line in the Statement of Net Position.

Total future lease payments are as follows:

<u>Year Ended June 30:</u>		
2019	\$	632,570
2020		646,524
2021		660,477
2022		330,239
	<u>\$</u>	<u>2,269,810</u>

**Wind Technology Testing Center Land Lease**

On April 30, 2010, MassCEC entered into an operating lease for the land to build the WTTC. The lease commenced in December 2009 and payments began on July 2011. Rent expense is recognized on a straight-line basis over the lease term, which ends in June 2041. At June 30, 2018, MassCEC had a \$1,112,387 deferred rent liability included in the accounts payable and accrued expenses line in the Statement of Net Position.

# Massachusetts Clean Energy Center

## Notes to Financial Statements

June 30, 2018

---

### 10. Leases (Continued)

#### Wind Technology Testing Center Land Lease (Continued)

Total future lease payments are as follows:

	<u>Year Ended June 30:</u>	
2019	\$	251,081
2020		258,613
2021		266,371
2022		274,363
2023		282,594
Thereafter		<u>6,815,270</u>
	\$	<u>8,148,292</u>

#### New Bedford Marine Commerce Terminal

On March 1, 2013, MassCEC entered into a lease with the New Bedford Redevelopment Authority for a portion of the land to develop the Terminal. The lease commenced on July 1, 2015, with MassCEC agreeing to pay an annual base rent of \$1.00 per year for 99 years. The lease also includes an impact fee clause, which allows for certain agencies within the City of New Bedford to seek reimbursement from MassCEC for approved costs related to municipal services provided to the premises including, but not limited to, utilities, roadway access and maintenance, security, and fire protection. For the year ended June 30, 2018, \$75,000 of impact fees were accrued.

### 11. Commitments and Contingencies

MassCEC, through the program activities of the RET, has entered into long-term contracts for the purchase and sale of RECs in an effort to stimulate private investment in the construction of new clean electric-generating facilities. These clean energy facilities are being built to satisfy both voluntary demand for renewable power among the Commonwealth's consumers and the requirements of the mandatory Massachusetts Renewable Portfolio Standard ("RPS") established under Massachusetts General Law.

As of June 30, 2018, MassCEC is committed to purchasing certain RECs through 2030, as stipulated by the long-term contracts held with various clean energy facilities.

MassCEC has provided a guarantee of up to \$300,000 of a clean energy company's line of credit. As of June 30, 2018, the company was in good standing with the lender and had \$300,000 drawn down on its line of credit. MassCEC has not recorded a liability for this guarantee. However, MassCEC has specifically restricted \$300,000 of its cash balance in the event a default should occur.

MassCEC participates in various Federal grant programs from time to time, which are subject to program compliance audits pursuant to the Single Audit Act as amended.

**Massachusetts Clean Energy Center**  
**Notes to Financial Statements**  
**June 30, 2018**

---

**11. Commitments and Contingencies (Continued)**

In July 2016, a contractor filed suit against MassCEC seeking to recover alleged damages in excess of \$23 million arising out of the construction of the New Bedford Marine Commerce Terminal. The contractor alleges in its complaint that it encountered differing site conditions and other factors that caused its performance of the work on this project to be much more expensive than the contractor stipulated in its contract bid. MassCEC denies responsibility for such additional costs, and MassCEC's management has stated its intention to vigorously defend against the contractor's claims.

In September 2016, MassCEC filed a counterclaim seeking \$13 million in damages. The ultimate resolution of the matter is unknown, but is expected to occur in the next twelve to twenty-four months and could result in additional payments.

## **Reporting Under Government Auditing Standards**



**Mayer Hoffman McCann P.C.**  
500 Boylston Street ■ Boston, MA 02116  
Main: 617.761.0600 ■ Fax: 617.761.0601  
[www.cbiz.com/newengland](http://www.cbiz.com/newengland)

*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance With Government Auditing Standards*

The Board of Directors  
Massachusetts Clean Energy Center  
Boston, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Massachusetts Clean Energy Center ("MassCEC"), as of and for the year ended June 30, 2018, and the related notes to the financials, which collectively comprise the MassCEC's basic financial statements, and have issued our report thereon dated November 14, 2018.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the MassCEC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the MassCEC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MassCEC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mayer Hoffman McCann P.C.*

November 14, 2018  
Boston, Massachusetts