

**HOUSE . . . . . No. 3340**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Paul W. Mark*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act creating a green bank to promote clean energy in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>	<i>2/19/2021</i>
<i>Joanne M. Comerford</i>	<i>Hampshire, Franklin and Worcester</i>	<i>4/1/2021</i>

**HOUSE . . . . . No. 3340**

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By Mr. Mark of Peru, a petition (accompanied by bill, House, No. 3340) of Paul W. Mark and Joanne M. Comerford relative to creating a green bank to evaluate and coordinate financing for energy improvements and energy technologies throughout the Commonwealth. Telecommunications, Utilities and Energy.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 2894 OF 2019-2020.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Second General Court  
(2021-2022)**  
—————

An Act creating a green bank to promote clean energy in Massachusetts.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           The General Laws are hereby amended by inserting after chapter 21A the following  
2 chapter:-

3                   CHAPTER 21B.

4                   THE MASSACHUSETTS GREEN ENERGY DEVELOPMENT BANK.

5                   Section 1. As used in this chapter the following words shall have the following  
6 meanings unless the context clearly requires otherwise:-

7                   “Bank”, the Massachusetts Green Energy Development Bank established pursuant  
8 to section 2.

9                   “Board”, the Massachusetts Green Energy Finance Board established pursuant to  
10 section 3.

11                   “Bonds” or “notes”, such bonds and notes as are issued by the bank pursuant to  
12 this chapter.

13                   “Energy improvements”, any renovation or retrofitting of commercial real  
14 property to reduce energy consumption or installation of a renewable energy system to service  
15 commercial real property.

16                   “Energy technologies”, all methods used to produce, distribute, conserve and  
17 store energy or otherwise improve the efficiency of energy utilization, which emphasize  
18 renewable energy sources, including, but not limited to, solar, wind, bioconversion and solid  
19 waste, and which aim to preserve and protect the environment and public health and safety.

20                   Section 2. (a) There is hereby created a body politic and corporate to be known as  
21 the Massachusetts Green Energy Development Bank. The bank is hereby constituted a public  
22 instrumentality and the exercise by the bank of the powers conferred by this chapter shall be  
23 considered to be the performance of an essential governmental function.

24                   The bank is hereby placed in the executive office of the governor but shall not be  
25 subject to the supervision or control of said office, or of any board, bureau, department or other  
26 center of the commonwealth, except as specifically provided in this chapter.

27                   (b) The bank shall be governed by the board and shall continue as long as it shall  
28 have bonds or notes or guarantee commitments outstanding and until its existence is terminated  
29 by law. Upon the termination of the existence of the bank, all right, title and interest in and to all

30 of its assets and all of its obligations, duties, covenants, agreements and obligations shall vest in  
31 and be possessed, performed and assumed by the commonwealth.

32 (c) It shall be the duty and purpose of the bank to: (1) evaluate and coordinate  
33 financing for energy improvements and energy technologies throughout the commonwealth; (2)  
34 provide loans, loan guarantees, debt securitization, insurance, portfolio insurance, and other  
35 forms of financing support or risk management to qualified energy improvements and energy  
36 technologies; (3) facilitate the financing of long-term energy improvement and energy  
37 technology purchasing by governmental and non-governmental not-for-profit entities; (4) foster  
38 the development and consistent application of transparent underwriting standards, standard  
39 contractual terms, and measurement and verification protocols for qualified energy  
40 improvements and energy technologies; (5) promote and facilitate the financing of energy  
41 improvements and energy technologies in the commonwealth that will abate climate change by  
42 increasing zero or low carbon electricity generation and transportation capabilities; (6) ease the  
43 economic effects of transitioning from a carbon-based economy to a clean energy economy; (7)  
44 facilitate job creation through the construction and operation of energy improvement and energy  
45 technology; and (8) work to eliminate the use of fossil fuels and carbon emitting fuels throughout  
46 the commonwealth.

47 Section 3. (b) The bank shall be governed and its corporate powers exercised by a  
48 board of directors known as the Massachusetts Green Energy Finance Board. The board shall  
49 consist of 7 members appointed by the governor for a term of 4 years, 1 of whom shall be the  
50 commissioner of banks, who shall serve ex officio, 1 of whom shall be the secretary of energy  
51 and environmental affairs, who shall serve ex officio, 1 of whom shall be the executive director  
52 of the Massachusetts clean energy technology center, 2 of whom shall be experienced in the field

53 of public or private finance and management, and 2 of whom shall be engineers with at least 10  
54 years' experience in the field of renewable energy or energy efficiency. The members shall  
55 annually elect a chairperson and vice-chairperson of the board. Each director shall serve without  
56 compensation but may be reimbursed for actual and necessary expenses reasonably incurred in  
57 the performance of their duties, including reimbursement for reasonable travel; provided,  
58 however, that such reimbursement shall not exceed \$3000 annually. Any person appointed to fill  
59 a vacancy in the office of a member of the board shall be appointed in a like manner and shall  
60 serve for only the unexpired term of such former member. Any director shall be eligible for  
61 reappointment. Any director may be removed from his appointment by the governor for cause.

62 (c) A majority of directors shall constitute a quorum and the affirmative vote of a  
63 majority of directors present at a duly called meeting, if a quorum is present, shall be necessary  
64 for any action to be taken by the board. Any action required or permitted to be taken at a meeting  
65 of the directors may be taken without a meeting if all of the directors consent in writing to such  
66 action and such written consent is filed with the records of the minutes of the meetings of the  
67 board. Such consent shall be treated for all purposes as a vote at a meeting. Each director shall  
68 make full disclosure, under subsection (d), of his financial interest, if any, in matters before the  
69 board by notifying the state ethics commission, in writing, and shall abstain from voting on any  
70 matter before the board in which he has a financial interest, unless otherwise permissible under  
71 chapter 268A.

72 (d) Chapters 268A and 268B shall apply to all ex-officio directors and employees  
73 of the bank. Said chapters 268A and 268B shall apply to all other directors, except that the bank  
74 may purchase from, sell to, borrow from, loan to, contract with or otherwise deal with any person  
75 in which any director of the bank is in any way interested or involved; provided, however, that

76 such interest or involvement is disclosed in advance to the members of the board and recorded in  
77 the minutes of the board; and provided, further, that no director having such an interest or  
78 involvement may participate in any decision of the board relating to such person. Employment  
79 by the commonwealth or service in any agency thereof shall not be deemed to be such an interest  
80 or involvement.

81 (e) The board shall have the power to appoint and employ an executive director  
82 who shall be the chief executive, administrative and operational officer of the bank and shall  
83 direct and supervise the administrative affairs and the general management of the bank. The  
84 executive director shall appoint and employ a chief financial and accounting officer and may,  
85 subject to the general supervision of the board, employ other employees, consultants, agents,  
86 including legal counsel and advisors, and shall attend meetings of the board. No funds shall be  
87 loaned, transferred or otherwise dispersed by the bank without the approval of the board and the  
88 signatures of the chief financial and accounting officer of the bank.

89 (f) The board shall bi-annually elect 1 of its members as treasurer and 1 of its  
90 members as secretary. The secretary of the board shall keep a record of the proceedings of the  
91 board and shall be custodian of all books, documents, and papers filed by the board and of its  
92 minute book and seal. The secretary of the board shall cause copies to be made of all minutes  
93 and other records and documents of the bank and shall certify that such copies are true copies,  
94 and all persons dealing with the bank may rely upon such certification.

95 (g) All officers and employees of the bank having access to its cash or negotiable  
96 securities shall give bond to the bank at its expense in such amounts and with such surety as the

97 board may prescribe. The persons required to give bond may be included in 1 or more blanket or  
98 scheduled bonds.

99 (h) Board members and officers who are not compensated employees of the bank  
100 shall not be liable to the commonwealth, to the bank or to any other person as a result of their  
101 activities, whether ministerial or discretionary, as such board members or officers except for  
102 willful dishonesty or intentional violations of law. Neither members of the board nor any person  
103 executing bonds or policies of insurance shall be liable personally thereon or be subject to any  
104 personal liability or accountability by reason of the issuance thereof. The board may purchase  
105 liability insurance for board members, officers and employees of the bank and may indemnify  
106 such persons against claims of others.

107 (k) The board shall adopt a written policy providing for the delegation in writing  
108 of any of its powers and duties.

109 Section 4. The bank shall have all powers necessary or convenient to carry out  
110 and effectuate its purposes including, without limiting the generality of the foregoing, the power  
111 to:

112 (1) adopt and amend by-laws, regulations and procedures for the governance of its  
113 affairs and the conduct of its business for the administration and enforcement of this chapter;  
114 provided, however, that regulations adopted by the bank shall be adopted pursuant to chapter  
115 30A;

116 (2) exercise any powers necessary for the commonwealth to be in compliance  
117 federal law;

118 (3) maintain offices at places within the commonwealth as it may determine and  
119 to conduct meetings of the bank in accordance with its by-laws;

120 (4) promote economy and efficiency and to leverage federal funding and private  
121 sector investment;

122 (5) develop and administer a long-term energy improvement and energy  
123 technology plan for the commonwealth;

124 (6) establish criteria and establish procedures for project selection for use in  
125 selecting qualifying energy improvements and energy technologies to receive funds pursuant to  
126 section 5;

127 (7) enter into agreements and transactions with federal, state and municipal  
128 agencies and other public institutions and private individuals, partnerships, firms, corporations,  
129 associations and other entities on behalf of the bank;

130 (8) institute and administer separate accounts and funds for the purposes of  
131 making allocations, grants or loans to qualifying energy improvements and energy technologies  
132 to receive funds pursuant to section 5;

133 (9) sue and be sued in its own name, plead and be impleaded; and

134 (10) issue bonds, notes and other evidences of indebtedness as provided in this  
135 chapter.

136 Section 5. (a) The bank may set up and maintain such separate funds and accounts  
137 as are necessary to provide and direct funding to qualifying energy improvements or energy  
138 technologies. Such funds or accounts shall be credited with any appropriations authorized by the



139 general court, bond or note proceeds, grants, gifts, donations, bequests or other monies received  
140 in accordance with the law. The bank may make loans from such funds or accounts, in  
141 accordance with the terms of subsection (c).

142 (b) The bank may issue and sell bonds or notes of the bank for the purpose of  
143 providing funds to finance qualifying energy improvements or energy technologies. Any bond  
144 or note issued under this section: (1) shall constitute the corporate obligation of the bank; (2)  
145 shall not constitute a debt of the commonwealth within the meaning or application of the  
146 constitution of the commonwealth; and (3) shall be payable solely as to both principal and  
147 interest from (i) the proceeds of bonds or notes, if any; (ii) investment earnings on the proceeds  
148 of bonds or notes; or (iii) other funds available to the bank for such purpose.

149 (c) The board shall develop a comprehensive application process by which  
150 persons may submit plans for energy improvements or energy technologies for review and  
151 approval by the bank. An approved energy improvement or energy technology plan shall be  
152 considered a qualifying plan. The bank shall enter into funding agreements with the proponents  
153 of such qualifying plans which shall detail the terms of a disbursement of funds from the bank  
154 for the plan and specific terms for the repayment or recoupment of funds.

155 Section 6. The board may issue rules and regulations as necessary to implement  
156 this chapter.