

HOUSE No. 3972

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, July 15, 2019.

The committee on Bonding, Capital Expenditures and State Assets, to whom was referred the Bill relative to GreenWorks (House, No. 3941), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 3972) [Bond Issue: General Obligation Bonds: \$1,295,000,000.00].

For the committee,

ANTONIO F.D. CABRAL.

FILED ON: 7/12/2019

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act relative to GreenWorks.

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

1 SECTION 1. To provide for a program of climate change resiliency for cities and towns
2 in the commonwealth, the sums set forth in this act, for the several purposes and subject to the
3 conditions specified in this act, are hereby made available, subject to the laws regulating the
4 disbursement of public funds, which sums shall be in addition to any other amounts previously
5 made available for these purposes; provided, however, that the amounts specified for a particular
6 project may be adjusted to facilitate projects authorized in this act.

7 SECTION 2.

8 EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS

9 2000-7076. For the GreenWorks infrastructure program established in section 28 of
10 chapter 21A of the General Laws.....\$1,000,000,000

11 SECTION 2A.

12 EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS

13 Department of Energy Resources

14 9300-8000. For the purpose of developing a matching grant program to support and
15 provide technical assistance for cities and towns to develop and deploy municipal microgrid
16 energy systems; provided that the department of energy resources, in consultation with the
17 Massachusetts clean energy center, shall establish eligibility and selection criteria which shall
18 include, but not be limited to, the following: (i) the microgrid shall be located in a city or town in
19 the commonwealth; (ii) the microgrid shall be located on the property of at least two neighboring
20 municipal buildings, and provide electricity to such buildings; (iii) the microgrid fulfills one of
21 the following objectives: (a) mitigates peak energy demand periods, (b) reduces energy costs for
22 at least one of the host municipal buildings of the microgrid, or (c) provides local residents with
23 access to electricity during a power disruption in the local electric distribution system; (iv) the
24 microgrid shall utilize clean energy, as defined in section 1 of chapter 23J, or electricity that is
25 generated from renewable energy generating sources, as defined in subsection (b) of section 11F
26 of chapter 25A of the General Laws, and is connected to on-site energy storage capacity; and (v)
27 the municipality shall receive the majority of the benefits accrued from the municipal microgrid
28 project; provided further, that the department of energy resources may consider exemptions to
29 clause (ii) if a municipality demonstrates plans for a functioning microgrid located on a single
30 municipal building in the absence of two suitable neighboring municipal buildings; provided
31 further, that the department of energy resources shall determine the appropriate project cost share
32 that municipalities shall contribute; and provided further, that funds may be expended under this
33 item to cover up to ninety per cent of the cost of a microgrid for a municipality or municipalities
34 that contain an environmental justice community and up to the full cost of a microgrid for a
35 municipality designated as a gateway city.....\$100,000,000

36 9300-8001. For the purpose of developing and implementing grant programs
37 designed to encourage the electrification of vehicle fleets owned by municipalities or regional
38 transit authorities; provided that the department of energy resources may promulgate regulations
39 necessary for the operation of the programs; provided further, that not less than \$10 million shall
40 be expended for planning, training and technical assistance purposes including, but not limited
41 to, studies examining the feasibility of utilizing electric vehicles on existing public transportation
42 routes, studies examining how public transportation routes could be modified to provide
43 equivalent service while utilizing electric vehicles, studies examining the contracted use of
44 privately-owned vehicle fleets by municipalities and opportunities for expanding the utilization
45 of electric vehicles, studies evaluating the environmental, and economic benefits of replacing
46 existing vehicles with electric vehicles, and training or technical assistance necessary for the
47 operation and maintenance of electric vehicles and related infrastructure; provided further, that
48 not less than \$25 million shall be expended to municipalities for the purchase of light-duty
49 vehicles belonging to one of the following classifications: plug-in hybrid electric vehicles,
50 battery electric vehicles, or other zero-emission vehicles, the purchase and installation of related
51 infrastructure, or both; provided further, that not less than \$90 million shall be expended to
52 municipalities, regional transit authorities, or other political subdivisions for the purchase of
53 buses, medium-duty vehicles, or heavy-duty vehicles belonging to one of the following classes:
54 plug-in hybrid electric vehicles, battery electric vehicles, or other zero-emission vehicles, the
55 purchase and installation of related infrastructure, or both; provided further, that, unless
56 otherwise specified, any funds expended under this item for a vehicle itself shall not exceed the
57 difference between the purchase price of the electric vehicle and the purchase price of an
58 equivalent non-electric vehicle with regards to passenger capacity or intended use; and provided

59 further that funds may be expended under this item to cover up to ninety per cent of the cost of a
60 vehicle intended to serve the population of an environmental justice community and up to the
61 full cost of a vehicle intended to serve a municipality designated as a gateway
62 city.....\$125,000,000

63 9300-8002. For the purposes of a sustainability coordinator grant program established by
64 the executive office of energy and environmental affairs to provide grants to a municipality or
65 group of municipalities to hire a sustainability coordinator to organize, secure funding,
66 implement and monitor projects that have been awarded through Section 28 of Chapter 21A of
67 the General Laws; provided further, that the executive office of energy and environmental affairs
68 shall develop a certification process for sustainability coordinators participating in the program,
69 which shall take into account expertise and experience with technologies and methodologies
70 outlined in this act; provided, that a municipality or group of municipalities may apply for such
71 grants; provided further, that grant recipients execute a contract of up to five years with a
72 sustainability coordinator; provided further, that grants awarded under this program shall provide
73 funding for not more than the first 2 years of such contract; and provided further, that grants
74 awarded to a municipality or municipalities that contain an environmental justice community
75 shall provide funding for not more than the first 3 years of such contract; and provided further,
76 that grants awarded to a municipality designated as a gateway city, and towns with populations
77 of 7,000 or less, shall provide funding for not more than the first 4 years of such contract
78\$20,000,000

79 9300-8003. For the purpose of establishing a fund known as the Green Resiliency
80 Fund within the executive office of energy and environmental affairs to provide loans to a
81 municipality or groups of municipalities; eligibility and selection criteria may include, but shall

82 not be limited to, the following: (a) assistance to a municipality or municipalities to provide
83 matching funds pursuant to projects awarded through Section 28 of Chapter 21A; (b) resiliency
84 improvements, including hardening of assets or nature-based solutions, or any combination
85 thereof to prepare for extreme weather events; or (c) resiliency investments which result in
86 economic revitalization; provided, that a municipality or group of municipalities may apply for
87 such loans for a joint project and preference may be given to municipalities that partner with two
88 or more municipalities in a given sub-region, such as an ecosystem scale at which climate change
89 impacts occur; and provided further, that rules and regulations shall be promulgated for the
90 operation of the fund, which may include, but shall not be limited to, ensuring timely repayment
91 by borrowers, and the use of interest rates to ensure that the fund maintains a consistent
92 purchasing power from the time loans are disbursed to the time of their
93 collection..... \$50,000,000

94 SECTION 3. Chapter 21A is hereby amended by adding the following section:-

95 Section 28. (a) There shall be in the executive office of energy and environmental affairs
96 a GreenWorks infrastructure program. All grants issued under this program shall be consistent
97 with the statewide adaptation strategy pursuant to section 10 of chapter 21N. The purpose of the
98 grants include but are not limited to the following: (i) to issue public infrastructure grants to
99 municipalities, local government bodies and other public instrumentalities for design,
100 construction, building, land acquisition, rehabilitation, repair and other improvements to
101 publicly-owned infrastructure that improves climate adaptation and resiliency, mitigates the
102 impacts of climate change, reduces carbon emissions, implements energy efficient or
103 conservation measures, improves the energy efficiency of publicly-owned buildings or
104 contributes to the commonwealth meeting its carbon emissions limits established in section 3 of

105 chapter 21N; (ii) to issue grants to municipalities to assist in financing the siting and construction
106 of renewable, energy storage and alternative energy projects on municipally-owned land; (iii) to
107 issue grants to municipalities to implement adaptation and resiliency measures and infrastructure
108 or building improvements outlined in the statewide adaptation strategy pursuant to section 10 of
109 chapter 21N; or (iv) to issue grants to municipalities to implement infrastructure or other
110 improvements to the built or natural environment or nature-based solutions, as defined in section
111 1 of chapter 21N or as identified through the municipal vulnerability preparedness program.

112 (b) Eligible public infrastructure projects authorized by subsection (a) shall be located on
113 public land or on public leasehold, right-of-way or easement. A project that uses grants to
114 municipalities for public infrastructure provided by this section shall be procured by a
115 municipality in accordance with chapter 7, section 39M of chapter 30, chapter 30B and chapter
116 149.

117 (c) There shall be at least 1 open solicitation period each year to accept and consider new
118 applications. Not less than 12 weeks before the annual open solicitation period, the executive
119 office of energy and environmental affairs shall release the criteria upon which the applications
120 shall be judged including, but not limited to, a minimum project readiness standard, overall
121 spending targets by project type and other preferences applying to that funding round. The
122 criteria may also determine additional levels of funding to a municipality or municipalities that
123 (i) contain an environmental justice community; (ii) are designated as a gateway city; or (iii)
124 have committed to providing matching funds; provided further, that the funding levels for
125 projects that meet this criteria shall be higher proportionally than other GreenWorks projects that
126 do not meet the criteria. Grants may be made outside of the open solicitation period at the
127 discretion of the secretary of energy and environmental affairs subject to subsections (d) and (e).

128 (d) An eligible city or town, acting by and through its municipal officers or by and
129 through any agency including regional planning agencies or watershed associations designated
130 by such municipal officers to act on their behalf, may apply to the program for a grant in a
131 specific amount to fund a specified project. Two or more municipalities may apply jointly, with
132 1 municipality acting as fiscal agent, or through a regional planning agency or watershed
133 association acting as fiscal agent. The grants may be made in addition to other forms of local,
134 state, and federal assistance.

135 (e) Within the program, at least 10 per cent of the grant funds shall be dedicated annually
136 to assist towns with populations of 7,000 or less in undertaking qualifying projects. Such towns
137 shall be eligible for a grant not to exceed \$1,000,000 and towns shall be eligible to receive 1
138 grant every 3 fiscal years. Two or more towns eligible under this subsection may file a joint
139 application for a single project serving those towns; provided, however, the total amount
140 distributed to any 1 town shall not exceed the maximum amount allowed under this section.
141 Receipt of a grant which is part of a joint application shall not preclude a town from receiving
142 additional funds under a separate application.

143 (f) Within the program, at least 10 per cent of the grant funds shall be dedicated annually
144 to municipalities designated as gateway cities in undertaking qualifying projects. Such
145 municipalities shall be eligible to receive 1 grant every 3 fiscal years.

146 (g) The secretary of energy and environmental affairs and the secretary of housing and
147 economic development, in consultation with appropriate secretariats as determined by the
148 governor, may coordinate efforts of GreenWorks and MassWorks across the commonwealth to
149 enhance safety, avoid duplicative costs and strengthen the resiliency of communities, including

150 but not limited to: (i) ensuring that GreenWorks and MassWorks projects are consistent with the
151 statewide adaptation strategy pursuant to section 10 of chapter 21N; and (ii) coordinating among
152 cross-cutting project categories between GreenWorks and MassWorks to capitalize upon priority
153 projects with potential co-benefits for climate change adaptation, resiliency or mitigation,
154 environmental protection, public health or other factors, as determined by the secretary of energy
155 and environmental affairs, that achieve program and administration efficiencies and leverage
156 resources from federal, state and private sources.

157 (h) The secretary of energy and environmental affairs may establish rules and regulations
158 to govern the application and distribution of grants under the program. The rules and regulations
159 may include provisions for joint applications by 2 or more eligible towns for a single project
160 serving those towns.

161 (i) The secretary of energy and environmental affairs shall report annually to the clerks
162 of the house of representatives and the senate, who shall forward the report to the chairs of the
163 joint committee on telecommunications, utilities and energy, the chairs of the senate and house
164 committees on ways and means, and the chairs of house and senate committees on bonding,
165 capital expenditures and state assets on the activities and status of the program. The report shall
166 include a list and description of all projects that received grant funds under the program, the
167 amount of the grant awarded to the project, other source of public funds that supported the
168 project, a detailed analysis of the environmental impact of each project including, where
169 applicable, the number of construction and full time equivalent jobs to be created, the private
170 investment in the project, the expected tax revenue generated from the project, the projected
171 energy efficiency savings and the projected greenhouse gas emission reductions.

172 SECTION 4. To meet the expenditures necessary in carrying out the provisions of section
173 2, the state treasurer shall, upon receipt of a request by the governor, issue and sell bonds of the
174 commonwealth in an amount to be specified by the governor from time to time, but not
175 exceeding, in the aggregate, \$1,000,000,000. All bonds issued by the commonwealth, as
176 aforesaid, shall be designated on their face, GreenWorks Capital Improvement Act of 2019, and
177 shall be issued for a maximum term of years, not exceeding 20 years, as the governor may
178 recommend to the general court pursuant to Section 3 of Article LXII of the Amendments to the
179 Constitution; provided, however, that all such bonds shall be payable not later than June 30,
180 2050. All interest and payments on account of principal on such obligations shall be payable
181 from the General Fund. Bonds and interest thereon issued under the authority of this section
182 shall, notwithstanding any other provisions of this act, be general obligations of the
183 commonwealth.

184 SECTION 5. To meet the expenditures necessary in carrying out the provisions of section
185 2A, the state treasurer shall, upon receipt of a request by the governor, issue and sell bonds of the
186 commonwealth in an amount to be specified by the governor from time to time, but not
187 exceeding, in the aggregate, \$295,000,000. All bonds issued by the commonwealth, as aforesaid,
188 shall be designated on their face, Climate Resiliency Act of 2019, and shall be issued for a
189 maximum term of years, not exceeding 20 years, as the governor may recommend to the general
190 court pursuant to Section 3 of Article LXII of the Amendments to the Constitution; provided,
191 however, that all such bonds shall be payable not later than June 30, 2050. All interest and
192 payments on account of principal on such obligations shall be payable from the General Fund.
193 Bonds and interest thereon issued under the authority of this section shall, notwithstanding any
194 other provisions of this act, be general obligations of the commonwealth.

195 SECTION 6. Notwithstanding any general or special law to the contrary, bonds or notes
196 issued under section 4 shall not be included in the computation of outstanding bonds for
197 purposes of the limit imposed by the second paragraph of section 60A of chapter 29 of the
198 General Laws, nor shall debt service with respect to these bonds and notes be included in the
199 computation of the limit imposed by section 60B of said chapter 29.