MEMORANDUM OF AGREEMENT

This MEMORANDUM OF AGREEMENT ("Agreement") is made and entered into by and between the Commonwealth of Massachusetts ("Massachusetts") through its Department of Environmental Protection ("MassDEP") having its principal place of business at One Winter Street, Boston, MA 02108 and the Division of Energy Resources ("DOER") having its principal place of business at One Hundred Cambridge Street, Boston, MA 02114 (collectively referred to as the "Agencies"); and the REGIONAL GREENHOUSE GAS INITIATIVE, INC. ("RGGI, Inc."), a non-profit corporation having its principal place of business at 90 Church Street, New York, New York, 10119 (collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, as of the date of this Agreement, the Governors of the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont (the "Signatory States") have entered into a Memorandum of Understanding to establish a multi-state greenhouse gas control program for carbon dioxide emissions from certain electric power plants (the "Regional Greenhouse Gas Initiative" or "RGGI");

WHEREAS, on July 12, 2007, RGGI, Inc. was incorporated in the State of Delaware as a non-profit corporation formed to serve as the sole regional organization for purposes of: (a) providing technical and scientific advisory services to the Signatory States in the development and implementation of a multi-state greenhouse gas control program, or its successor, under RGGI, (b) reducing air pollutants that contribute to climate change; and (c) performing other charitable or scientific functions related to the reduction of greenhouse gas emissions or the increase in carbon sequestration on behalf of the Signatory States;

WHEREAS, MassDEP promulgated and otherwise established its carbon dioxide cap and trade program (the "CO₂ Budget Trading Program") pursuant to M.G.L. c.111, §§142A-N and corresponding regulations at 310 CMR 7.70, to: (a) stabilize and then reduce anthropogenic emissions of CO₂, a greenhouse gas, from CO₂ budget sources in an economically efficient manner; (b) establish the Tracking System ("Tracking System"), an electronic system to track CO₂ emissions, CO₂ allowances and CO₂ Offset allowances; and (c) establish a program that provides compliance flexibility by awarding CO₂ offset allowances to projects that reduce and/or sequester emissions of greenhouse gases (the "Offset Program.");

WHEREAS, pursuant to M.G.L. c.25A, §13, DOER has the authority to auction Massachusetts CO₂ allowances (the "Auction Program") that will include hiring a certified market monitor to observe the conduct and outcome of each auction (the "Market Monitor");

WHEREAS, the Agencies are not delegating to RGGI, Inc. their authority to adopt legally binding regulations to administer and enforce the Tracking System, the Offset Program and the Auction Program;
WHEREAS, the Agencies are authorized to execute this Agreement on behalf of Massachusetts; and

NOW, THEREFORE, the Agencies and RGGI, Inc., for and in consideration of mutual covenants and other good and valuable consideration, do hereby agree to the terms of this Agreement, as follows.

ARTICLE 1. SCOPE OF SERVICES

1.1 RGGI, Inc. shall administer and otherwise manage the Auction Program, the Tracking System, the Offset Program, the Market Monitor and any and all services required under the aforementioned programs pursuant to the terms of this Agreement.

1.2 In accordance with RGGI, Inc.'s Certificate of Incorporation, and in order to fulfill its obligations under this Agreement, RGGI, Inc. may enter into contracts with any person, firm, association, corporation or body politic. Any contract entered into by RGGI, Inc. for the purposes of fulfilling its obligations under this Agreement must be in writing and shall be consistent with and subject to the provisions of this Agreement. Contracts with any person, firm, association, corporation or body politic shall not relieve or discharge RGGI, Inc. from any duty, obligation, responsibility or liability arising under this Agreement, including the Massachusetts Standard Terms and Conditions attached hereto as Appendix A. RGGI, Inc. shall provide the Agencies with copies of all contracts entered into for the purposes of fulfilling its obligations under this Agreement; provided, however, that the Agencies shall not be bound by any provisions contained in a contract to which they are not a party. The Agencies shall also have access to any reports, financial records, statistical data and invoices prepared by or for RGGI, Inc.

1.3 The Agencies agree to provide RGGI, Inc. with a copy of all Massachusetts regulations and guidance documents developed as part of the CO₂ Budget Trading Program.

ARTICLE 2. RESPONSIBILITIES

2.1 Tracking System: RGGI, Inc. shall design, develop, operate and maintain a regional emissions and allowance tracking system in accordance with the Scope of Work attached hereto as Appendix B.

2.2 Auction Program: RGGI, Inc. shall design and operate a regional allowance auction platform, and conduct multi-state auctions that shall include Massachusetts allowances upon written notice from DOER, in accordance with the Scope of Work attached hereto as Appendix B.
2.3 Offset Program: RGGI, Inc. shall provide services to develop and administer the Offset Program in accordance with the Scope of Work attached hereto as Appendix B.

2.4 Market Monitor: RGGI, Inc. shall provide market monitoring services for monitoring both allowance auction conduct and outcomes and monitoring of the secondary allowance market in accordance with the Market Monitor Scope of Work attached hereto as Appendix B.

**ARTICLE 3. PAYMENT**

3.1 The Agencies agree to pay RGGI, Inc. a state participation assessment to carry out the responsibilities and obligations detailed under this Agreement and the attached Scope of Work. Payments to RGGI, Inc. may also be used to pay for staff and operating costs related to services provided by RGGI, Inc. to the Agencies pursuant to this Agreement.

3.2 For the years 2008, 2009 and 2010, the Agencies agree to pay RGGI, Inc., an amount not to exceed the amount detailed in the Payment Schedule attached hereto as Appendix C. RGGI, Inc. agrees to submit to the Agencies invoices and supporting documentation detailing its performance under this Agreement. Upon receipt of an invoice and supporting documentation, payment will be made to RGGI, Inc. within 30 days or as soon as funds are available to the Agencies, not to exceed the annual amount detailed in Appendix C. All payments required hereunder shall be subject to appropriation to the extent required by applicable law.

3.3 The attached Payment Schedule will be amended to include payments for the years 2011 and onward, as mutually agreed to in writing by the Parties, without requiring an amendment to the entire Agreement. Annual payments may be made in one or multiple payments.

3.4 Payments under this Agreement may be made by electronic fund transfer or check. Payments by check shall be payable to “Regional Greenhouse Gas Initiative, Inc.”, and delivered to 90 Church Street, New York, New York 10119.

**ARTICLE 4. REPORTS TO AGENCIES**

4.1 Forty-five days after the end of each calendar quarter, RGGI, Inc. shall provide the Agencies with quarterly progress reports that include the status of implementing the Auction Program, the Tracking System, the Offset Program and Market Monitoring, including without limitation financial, and budget reports.

4.2 From time to time, the states in consultation with RGGI, Inc. may specify additional reports and information that may be required to monitor and effectively evaluate performance under this Agreement.
ARTICLE 5. INDEMNIFICATION

5.1 Unless otherwise exempted by law, RGGI, Inc. shall indemnify and hold harmless Massachusetts in accordance with the indemnification clause included in the Massachusetts Standard Terms and Conditions attached hereto as Appendix A.

ARTICLE 6. TERM OF AGREEMENT

6.1 The effective start date of performance under this Agreement shall be the date that the Agreement is executed by an authorized signatory for RGGI, Inc. and authorized signatories for the Agencies, whichever is later.

6.2 This Agreement shall expire January 1, 2014, unless otherwise extended in accordance 6.3 below.

6.3 The Agencies, at their option, may extend this Agreement for two (2) additional four (4) year terms if the Agencies determine that it is advantageous to have RGGI, Inc. continue to perform the obligations and responsibilities detailed in this Agreement. This Agreement shall be automatically extended for an additional 4-year term upon the Agencies providing RGGI Inc. with sixty (60) days prior written notice.

ARTICLE 7. PROJECT MANAGEMENT AND NOTICES

7.1 All notices, submissions, correspondence and other communications specifically provided for or required under this Agreement shall be made by hand-delivery, electronic mail or by First Class Mail to the person and addresses listed in 7.2 (or their successors) and shall be deemed received when hand delivered or when delivered by such other method, evidenced by actual receipt by the Agencies or RGGI, Inc.

7.2 Contact information:

MassDEP: William Lamkin
Department of Environmental Protection
Northeast Regional Office
205B Lowell Street
Wilmington, MA 01887
(978) 694-2779
E-mail: william.lamkin@state.ma.us

DOER: Robert F. Sydney
General Counsel
Division of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114
(617) 727-4732, ext. 40133
E-Mail: robert.sydney@state.ma.us

RGGI, Inc.: Regional Greenhouse Gas Initiative, Inc.
90 Church Street
New York, NY 10119
Attention: Executive Director

with a copy to:

Chair
Regional Greenhouse Gas Initiative, Inc.
c/o Office of Climate Change
New York State Department of Environmental Conservation
625 Broadway
Albany, NY 12233 - 1030
phone: 518-402-8448
fax: 518-402-9021
email: climatechange@gw.dec.state.ny.us
Re: phone and email

7.3 All invoices for payments shall be submitted to:

William Harkins
Chief Financial Officer
Department of Environmental Protection
One Winter Street, 2nd floor
Boston, MA 02108
(617) 292-5906
E-Mail: william.harkins@state.ma.us

ARTICLE 8. MAINTENANCE OF RECORDS

8.1 RGGI, Inc. shall keep, maintain and preserve at its principal offices, through the term of this Agreement and for a period of seven additional years thereafter, full and detailed books, accounts and records pertaining to the performance of its obligations under this Agreement, including without limitation, all bills, invoices, payrolls, contracting records and other data related to the direct and indirect costs and expenses incurred by RGGI, Inc. in the course of such performance under this Agreement.

8.2 All documents generated or accepted in performance of this Agreement shall be confidential and shall not be released to anyone without prior authorization by the Agencies.
8.3 All documents generated or accepted by RGGI, Inc., including documents and reports generated by any subcontractors, in performance of this Agreement shall be made available to the Agencies upon request.

**ARTICLE 9. TERMINATION**

9.1 This Agreement may be terminated by the Agencies at any time during the term of this Agreement, with or without cause, upon 30 days prior written notice to RGGI, Inc.

9.2 If at any time Massachusetts is no longer a Signatory State, then the Agreement may be terminated by RGGI, Inc.

9.3 If this Agreement is terminated, or RGGI, Inc. is unable to continue to perform under this Agreement, then RGGI, Inc. shall be paid and compensated for reasonable costs incurred to implement the attached Scope of Work up to the date of termination or the date RGGI, Inc. can no longer continue to perform under the Agreement, and all remaining funds paid to RGGI, Inc. by the Agencies pursuant to Article 3 shall be returned to the Agencies within 30 days of such date.

**ARTICLE 10. NO THIRD PARTY RIGHTS**

10.1 Nothing in this Agreement shall create or give to third parties any claim or right of action against the Agencies or RGGI, Inc.

**ARTICLE 11. INDEPENDENT CONTRACTOR**

11.1 In carrying out the terms of this Agreement, RGGI, Inc. shall at all times be an independent contractor. Nothing contained in this Agreement shall be construed to create an employer-employee relationship between Massachusetts and RGGI, Inc.

**ARTICLE 12. PROPRIETARY RIGHTS**

12.1 For purposes of this Agreement, the term “Property” shall mean any and all intellectual property developed by RGGI, Inc., itself or through the work of its subcontractors, under this Agreement. The intellectual property that may be developed under this Agreement may include computer programs (in object and source code form), scripts, data, documentation, the audio, visual and audiovisual content related to the layout and graphic presentation of any system developed, text, photographs, video, pictures, animation, sound recordings, training materials, images, techniques, methods, algorithms, program images, text visible on the Internet, HTML code and images, illustrations, graphics, pages, storyboards, writings, drawings, sketches, models, samples, data, other technical or business information, and other works of authorship fixed in any tangible medium.

12.2 Either on its own or through the work of its subcontractors, RGGI, Inc. shall acquire ownership of or licenses to Property (1) created prior to the execution of
RGGI, Inc. ‘s contracts with its subcontractors and owned by such subcontractors or a third party; (2) created by RGGI, Inc. ‘s subcontractors under a subcontract with RGGI, Inc. as a derivative work with respect to Property owned by a subcontractor or third party; and (3) created by a Subcontractor under such contract and not as a derivative work with respect to Property owned by a subcontractor or third party.

12.3 RGGI, Inc. shall: (1) When acquiring licenses to the first two categories of Property described above, obtain the same license on behalf of the Signatory States; and (2) when contracting for the third category of property, acquire all right, title and interest in such property on behalf of itself and the Signatory States jointly.

To the extent possible, all licenses acquired by RGGI, Inc. in connection with the first two categories of Property shall be at least as expansive as the license grant language set forth in Appendix D attached hereto.

12.4 RGGI, Inc. shall ensure that all deliverables delivered under this agreement adhere to (1) the Section 508 Standards for Electronic and Information Technology Accessibility, 36 C.F.R. §1194, issued under Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794(d)) (the “Section 508 Standards”), and (2) the Web Accessibility Standards, (the “ITD Standards”) issued by the Commonwealth of Massachusetts’ Information Technology Division (“ITD”), available online at www.mass.gov/itd. For purposes of this Agreement, RGGI, Inc.’s obligations pertaining to these standards shall be limited to those subsections thereof that have been certified by ITD and the Massachusetts Office on Disability as objective and measurable. Such subsections shall be posted by ITD at www.mass.gov/itd. The Section 508 and ITD Standards may be modified from time to time, and RGGI, Inc. is responsible for compliance with the most current version in effect on the date that RGGI, Inc. executes this Agreement.

ARTICLE 13. SEVERABILITY

13.1 If any part of this Agreement is determined to be invalid, illegal or unenforceable, such determination shall not affect the validity, legality or enforceability of any other part of this Agreement, and the remaining parts of this Agreement shall be enforced as if the invalid, illegal or unenforceable part were not contained therein.

ARTICLE 14. COMPLIANCE WITH LAWS

14.1 RGGI, Inc. agrees to comply with the provisions of all Federal and Massachusetts laws, local statutes, ordinances, and regulations that are applicable to the performance of this Agreement.

ARTICLE 15. STANDARD CONTRACT CLAUSES

15.1 RGGI, Inc. will be required to comply with all mandatory Massachusetts contracting provisions contained in the Massachusetts Standard Terms and Conditions attached hereto as Appendix A.
ARTICLE 16. ENTIRE AGREEMENT/CHANGES

16.1 This Agreement, together with all Appendices attached hereto and made a part of this Agreement, contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior agreements or understanding regarding such subject matter, or any portion thereof.

16.2 This Agreement, or Appendices to this Agreement, may be amended or supplemented only by a written instrument signed by duly authorized representatives of all Parties.

16.3 This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

16.4 The Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.
SIGNATURE PAGE

The Commonwealth of Massachusetts by Laurie K. Burt, the Commissioner of the Department of Environmental Protection, and Philip Guidice, the Commissioner of the Division of Energy Resources, neither of whom incur any personal liability by reason of the execution hereof or anything herein contained, set their hands and seals to this Memorandum of Agreement, on the last day and year so indicated.

COMMONWEALTH OF MASSACHUSETTS,

By:                                  By:
Commissioner                        Commissioner
Department of Environmental Protection Division of Energy Resources

Dated: 4/18/08                       Dated: 4/18/08

COMMONWEALTH OF                         )
MASSACHUSETTS                         )
) SS.;
COUNTY OF SUFFOLK                     )

On the 15th day of April in the year 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Laurie K. Burt, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individuals(s), or the person upon behalf of which the individual(s) acted, executed the document.

Notary Public
Pursuant to Article V, Section 8 of Regional Greenhouse Gas Initiative, Inc. By-laws, Alexander Grannis, as Chair of the Board of Directors of RGGI, Inc., has the authority to execute all contracts to which RGGI, Inc. shall be a party.

REGIONAL GREENHOUSE GAS INITIATIVE, INC.

By: Alexander B. Grannis, Chair
Title: Chair
Dated: Apr. 23, 2008

STATE OF New York
COUNTY OF Albany

On the 23rd day of Apr., in the year 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Alexander B. Grannis personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individuals(s), or the person upon behalf of which the individual(s) acted, executed the document.

Notary Public

Reg. No. 02W66149806
Qualified in Schenectady County
My Commission expires 7/17/2010
APPENDIX A

COMMONWEALTH TERMS AND CONDITIONS

This Commonwealth Terms and Conditions form is jointly issued by the Executive Office for Administration and Finance (ANF), the Office of the Comptroller (CTR) and the Operational Services Division (OSD) for use by all Commonwealth of Massachusetts (“State”) Departments and Contractors. Any changes or electronic alterations by either the Department or the Contractor to this form issued by ANF, CTR, and OSD, shall be void. Upon execution of these Commonwealth Terms and Conditions by the Contractor and filing as prescribed by the Office of the Comptroller, these Commonwealth Terms and Conditions will be incorporated by reference into any Contract for Commodities and Services executed by the Contractor and any State Department, in the absence of a superseding law or regulation requiring a different Contract form. Performance shall include services rendered, obligations due, costs incurred, commodities and deliverables provided and accepted by the Department, programs provided or other commitments authorized under a Contract. A deliverable shall include any tangible property to be delivered as an element of performance under a Contract. The Commonwealth is entitled to ownership and possession of all deliverables purchased or developed with State funds. Contract shall mean the Standard Contract Form issued jointly by ANF, CTR and OSD.

1. Contract Effective Start Date. Notwithstanding verbal or other representations by the parties, or an earlier start date indicated in a Contract, the effective start date of performance under a Contract shall be the date a Contract has been executed by an authorized signatory of the Contractor, the Department, a later date specified in the Contract or the date of any approvals required by law or regulation, whichever is later.

2. Payments and Compensation. The Contractor shall only be compensated for performance delivered and accepted by the Department in accordance with the specific terms and conditions of a Contract. All Contract payments are subject to appropriation pursuant to M.G.L. C. 29, §26, or the availability of sufficient non-appropriated funds for the purposes of a Contract, and shall be subject to receipt pursuant to M.G.L. C. 7A, §3 and 815 CMR 9.00. Overpayments shall be reimbursed by the Contractor or may be offset by the Department from future payments in accordance with state finance law. Acceptance by the Contractor of any payment or partial payment, without any written objection by the Contractor, shall in each instance operate as a release and discharge of the State from all claims, liabilities or other obligations relating to the performance of a Contract.

3. Contractor Payment Mechanism. All Contractors will be paid using the Payment Voucher System unless a different payment mechanism is required. The Contractor shall timely submit invoices (Payment Vouchers - Form PV) and supporting documentation as prescribed in a Contract. The Department shall review and approve invoices within fifteen (15) days of receipt with a written explanation for rejection. Payments shall be made in accordance with the bill paying policy issued by the Office of the Comptroller and 815 CMR 4.00, provided that payment periods listed in a Contract of less than forty-five (45) days from the date of receipt of an invoice shall be effective only to enable a Department to take advantage of early payment incentives and shall not subject any payment made within the forty-five (45) day period to a penalty. The Contractor Payroll System, shall be used only for “Individual Contractors” who have been determined to be “Contract Employees” as a result of the Department’s completion of an Internal Revenue Service SS-8 form in accordance with the Omnibus Budget Reconciliation Act (OBRA) 1990, and shall automatically process all state and federal mandated payroll, tax and retirement deductions.

4. Contract Termination or Suspension. A Contract shall terminate on the date specified in a Contract, unless this date is properly amended in accordance with all applicable laws and regulations prior to this date, or unless terminated or suspended under this Section upon written notice to the Contractor. The Department may terminate a Contract without cause and without penalty, or may terminate or suspend a Contract if the Contractor breaches any material term or condition, fails to perform or fulfill any material obligation required by a Contract, or in the event of an elimination of an appropriation or availability of sufficient funds for the purposes of a Contract, or in the event of an unforeseen public emergency mandating immediate Department action. Upon immediate notification to the other party, neither the Department nor the Contractor shall be deemed to be in breach for failure or delay in performance due to Acts of God or other causes factually beyond their control and without their fault or negligence. Subcontractor failure to perform or price increases due to market fluctuations or product availability will not be deemed factually beyond the Contractor’s control.

5. Written Notice. Any notice shall be deemed delivered and received when submitted in writing in person or when delivered by any other appropriate method evidencing actual receipt by the Department or the Contractor. Any written notice of termination or suspension delivered to the Contractor shall state the effective date and period of the notice, the reasons for the termination or suspension, if applicable, any alleged breach or failure to perform, a reasonable period to cure any alleged breach or failure to perform, if applicable, and any instructions or restrictions concerning allowable activities, costs or expenditures by the Contractor during the notice period.

6. Confidentiality. The Contractor shall comply with M.G.L. C. 66A if the Contractor becomes a “holder” of “personal data”. The Contractor shall also protect the physical security and restrict any access to personal or other Department data in the Contractor’s possession, or used by the Contractor in the performance of a Contract, which shall include, but is not limited to the Department’s public records, documents, files, software, equipment or systems.

7. Recordskeeping, Retention, Inspection Of Records. The Contractor shall maintain records, books, files and other data as specified in a Contract and in such detail as shall properly substantiate claims for payment under a Contract, for a minimum retention period of seven (7) years beginning on the first day after the final payment under a Contract, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit or other inquiry involving a Contract. The Department shall have access, as well as any parties identified under Executive Order 195, during the Contractor’s regular business hours and upon reasonable prior notice, to such records, including on-site reviews and reproduction of such records at a reasonable expense.

8. Assignment. The Contractor may not assign or delegate, in whole or in part, or otherwise transfer any liability, responsibility, obligation, duty or interest under a Contract, with the exception that the Contractor shall be authorized to assign present and prospective claims for money due to the Contractor pursuant to a Contract in accordance with M.G.L. C. 106, §9-318. The Contractor must provide sufficient notice of assignment and supporting documentation to enable the Department to verify and implement the assignment. Payments to third party assignees will be processed as if such payments were being made directly to the Contractor and these payments will be subject to intercept, offset, counter claims or any other Department rights which are available to the Department or the State against the Contractor.

9. Subcontracting By Contractor. Any subcontract entered into by the Contractor for the purposes of fulfilling the obligations under a Contract must be in writing, authorized in advance by the Department and shall be consistent with and subject to the provisions of these Commonwealth Terms and Conditions and a Contract. Subcontractors will not relieve or discharge the Contractor from any duty, obligation, responsibility or liability arising under a Contract. The Department is entitled to copies of all subcontracts and shall not be bound by any provisions contained in a subcontract to which it is not a party.

10. Affirmative Action, Non-Discrimination In Hiring And Employment. The Contractor shall comply with all federal and state laws, rules and regulations promoting fair employment practices or prohibiting employment discrimination and unfair labor practices and shall not discriminate in the hiring of any applicant for employment nor shall any qualified employee be demoted, discharged or otherwise subject to discrimination in the tenure, position, promotional opportunities, wages, benefits or terms and conditions of their employment because of race, color, national origin, ancestry, age, sex, religion, disability, handicap, sexual orientation or for exercising any rights afforded by law. The Contractor commits to purchasing supplies and services from certified minority or women-owned businesses, small businesses or businesses owned by socially or economically disadvantaged persons or persons with disabilities.

11. Indemnification. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, including the Department, its agents, officers and employees against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement or other damages that the State may sustain which arise out of or in connection with the Contractor’s performance of a Contract, including but not limited to the negligence, reckless or intentional conduct of the Contractor, its agents, officers, employees or subcontractors. The Contractor shall at no time be considered an agent or representative of the Department or the State. After prompt notification of a claim by the State, the Contractor shall have an
APPENDIX A
COMMONWEALTH TERMS AND CONDITIONS

opportunity to participate in the defense of such claim
and any negotiated settlement agreement or judgment.
The State shall not be liable for any costs incurred by
the Contractor arising under this paragraph. Any indemnification of
the Contractor shall be subject to appropriation and applicable law.
12. Waivers. Forbearance or indulgence in any form or manner by a party
shall not be construed as a waiver, nor in any way limit the legal or equitable
remedies available to that party. No waiver by either party of any default or
breach shall constitute a waiver of any subsequent default or breach.
13. Risk Of Loss. The Contractor shall bear the risk of loss for any Contractor
materials used for a Contract and for all deliverables, Department personal
or other data which is in the possession of the Contractor or used by the
Contractor in the performance of a Contract until possession, ownership and
full legal title to the deliverables are transferred to and accepted by the Department.
14. Forum, Choice of Law And Mediation. Any actions arising out of a
Contract shall be governed by the laws of Massachusetts, and shall be brought
and maintained in a State or federal court in Massachusetts which shall have
exclusive jurisdiction thereof. The Department, with the approval of the
Attorney General's Office, and the Contractor may agree to voluntary
mediation through the Massachusetts Office of Dispute Resolution (MODR) of
any Contract dispute and will share the costs of such mediation. No legal or
equitable rights of the parties shall be limited by this Section.
15. Contract Boilerplate Interpretation, Severability, Conflicts With Law,
Integration. Any amendment or attachment to any Contract which contains
conflicting language or has the effect of a deleting, replacing or modifying any
printed language of these Commonwealth Terms and Conditions, as officially
published by ANF, CTR and OSD, shall be interpreted as superseded by the
official printed language. If any provision of a Contract is found to be
superseded by state or federal law or regulation, in whole or in part, then both
parties shall be relieved of all obligations under that provision only to the
extent necessary to comply with the superseding law, provided however, that
the remaining provisions of the Contract, or portions thereof, shall be enforced
to the fullest extent permitted by law. All amendments must be executed by
the parties in accordance with Section 1, of these Commonwealth Terms and
Conditions and filed with the original record copy of a Contract as prescribed by
CTR. The printed language of the Standard Contract Form, as officially
published by ANF, CTR and OSD, which incorporates by reference these
Commonwealth Terms and Conditions, shall supersede any conflicting verbal
or written agreements relating to the performance of a Contract, or attached
thereto, including contract forms, purchase orders or invoices of the
Contractor. The order of priority of documents to interpret a Contract shall be
as follows: the printed language of the Commonwealth Terms and Conditions,
the Standard Contract Form, the Department's Request for Response (RFR)
solicitation document and the Contractor's Response to the RFR solicitation,
excluding any language stricken by a Department as unacceptable and
including any negotiated terms and conditions allowable pursuant to law or
regulation.

IN WITNESS WHEREOF, The Contractor certify under the pains and
penalties of perjury that it shall comply with these Commonwealth Terms
and Conditions for any applicable Contract executed with the
Commonwealth as certified by their authorized signatory below:

CONTRACTOR AUTHORIZED SIGNATORY:

Print Name: ________________________________

Title: ________________________________

Date: ________________________________

(Check One): Organization Individual

Full Legal Organization or Individual Name: ________________________________

Doing Business As: Name (If Different): ________________________________

Tax Identification Number: ________________________________

Address: ________________________________

Telephone: ________________________________ FAX: ________________________________

INSTRUCTIONS FOR FILING THE COMMONWEALTH TERMS AND CONDITIONS

A “Request for Verification of Taxation Reporting Information” form (Massachusetts Substitute W-9 Format), that contains the Contractor's correct TIN, name and legal address information, must be on file with the Office of the Comptroller. If the Contractor has not previously filed this form with the Comptroller, or if the information contained on a previously filed form has changed, please fill out a W-9 form and return it attached to the executed COMMONWEALTH TERMS AND CONDITIONS.

If the Contractor is responding to a Request for Response (RFR), the COMMONWEALTH TERMS AND CONDITIONS must be submitted with the Response to RFR or as specified in the RFR. Otherwise, Departments or Contractors must timely submit the completed and properly executed COMMONWEALTH TERMS AND CONDITIONS (and the W-9 form if applicable) to the: Payee and Payments Unit, Office of the Comptroller, 9th Floor, One Ashburton Place, Boston, MA 02108 in order to record the filing of this form on the MMARS Vendor File. Contractors are required to execute and file this form only once.

Page 2 of 2.
APPENDIX B

Regional Greenhouse Gas Initiative, Inc.
Scope of Work in Support of Massachusetts Implementation of the CO₂ Budget Trading Program

Regional Greenhouse Gas Initiative, Inc. ("RGGI, Inc.") will provide program implementation and development services, as outlined in this scope of services, to the Department of Environmental Protection ("MassDEP") and Division of Energy Resources ("DOER") (jointly, the "Agencies") to support the participation of the Commonwealth of Massachusetts in the Regional Greenhouse Gas Initiative (RGGI) and the implementation of regulations for the Massachusetts CO₂ Budget Trading Program. RGGI, Inc., a non-profit organization incorporated in the State of Delaware, was formed expressly to provide technical implementation and program development support services to signatories of the RGGI Memorandum of Understanding (the "participating states"), signed December 20, 2005, as amended.

Overview

RGGI, Inc. will provide services to support implementation of the Massachusetts CO₂ Budget Trading Program in the following seven areas:

I. Design and operation of a regional emissions and allowance tracking system (EATS), for use by the Agencies in administering the Massachusetts CO₂ Budget Trading Program and the counterpart programs in other participating states;

II. Design and operation of a regional allowance auction platform, for use by the Agencies in administering the Massachusetts CO₂ Budget Trading Program and the counterpart programs in other participating states;

III. Development of model offsets consistency applications and model offsets monitoring and verification submittal forms, suitable for customization by the Agencies for use in administering the offsets component of the Massachusetts CO₂ Budget Trading Program;

IV. Development of generic and category-specific guidance documents detailing the requirements for offset projects under the CO₂ Budget Trading Program, suitable for use by the Agencies to support administration of the offsets component of the Massachusetts CO₂ Budget Trading Program;

V. Development of an accreditation process for the accreditation of independent verifiers of offset projects, suitable for use by the Agencies to support administration of the offsets component of the Massachusetts CO₂ Budget Trading Program;
VI. Market monitoring services for monitoring of allowance auction conduct and outcomes and monitoring of the secondary allowance market for the CO₂ Budget Trading Program;

VII. Provision of program development support services on an as-requested basis, including but not limited to evaluation of additional offset categories and the development of technical and policy recommendations related to specific CO₂ Budget Trading Program elements, for evaluation and consideration by the Agencies.

I. Emissions and Allowance Tracking System

RGGI, Inc. shall provide services to support emissions and allowance tracking for the Massachusetts CO₂ Budget Trading Program (“Tracking System”). Such services shall be performed in two distinct phases: (A) Program and Systems Development and Deployment; (B) Annual Program Implementation and Support. If necessary to support the schedule established by participating states for holding an initial allowance auction(s) in 2008, phase (A) above may be broken into two sub-phases, the first of which would develop the needed Tracking System capability to support an initial auction(s) followed by development of full Tracking System capability as specified in phase (A) below. In any area where services are requested, deliverables, where deemed appropriate in consultation with the Agencies, shall be presented to the Agencies in draft form for review and ultimate approval by the Agencies.

I-A. Program and Systems Development and Deployment

Program Development

RGGI, Inc. shall develop an overall program implementation plan. To the extent necessary, any subcontractors engaged by RGGI, Inc. shall have strong working knowledge of 40 CFR Part 75 and U.S. EPA’s data system to ensure that the program implementation strategy takes into account the timeliness, data processing requirements, and data availability limitations associated with U.S. EPA’s emissions reporting, tracking, analysis, and data storage procedures.

Tracking Data System Requirements Collection

RGGI, Inc., in consultation with the Agencies, shall develop the Tracking System to support the emissions and allowance tracking and compliance aspects, as well as the offsets component, of the Massachusetts CO₂ Budget Trading Program. The Tracking System shall also be able to track allowance prices, as reported, applicable price triggers, and appropriate offsets limits. To determine the functionality required, RGGI, Inc. shall conduct a needs assessment, involving representative groups of users, to determine the specific requirements for the application.

RGGI, Inc. shall utilize or provide similar functionality of U.S. EPA’s Emissions and Allowance Tracking System as a starting point for defining these requirements. These
requirements shall include, but not be limited to, functionality, security, reports, public access, and user interface.

**Tracking System Design**

RGGI, Inc., in consultation with the Agencies, shall design the Tracking System, including a data model, user interface and functionality to support emissions inventory management, allowance trading, compliance and program analysis, and user security. RGGI, Inc. shall coordinate the operation of the Tracking System with the administration of a regional allowance auction platform. RGGI, Inc. shall also: (1) work with any independent third party hired by the Agencies to verify that the Tracking System software is functioning properly and to correct any deficiencies; (2) if directed by the Agencies, publicly post appropriate information about the Tracking System; and (3) work with the Department to use ongoing experience to continuously improve the Tracking System.

**Tracking System Development**

Following approval by the Agencies of the Tracking System data requirements and system design, RGGI, Inc. shall develop software code for the Tracking System. RGGI, Inc. shall develop a test plan and perform extensive quality assurance and unit and integrated testing for all Tracking System functionality. RGGI, Inc. shall document and provide all testing scenarios to the Agencies. RGGI, Inc. shall deploy an alpha version of the application on a platform for testing and acceptance by the Agencies. Following acceptance of the alpha product, RGGI, Inc. shall provide a beta version of the Tracking System for beta users selected by the Agencies and RGGI, Inc., including industry users and representatives from participating states. Finally, RGGI, Inc. shall deploy the final version of the program. As part of the system development, RGGI, Inc. shall develop system documentation, user manuals, and other training tools.

**Tracking System Hosting**

To support the Tracking System Internet application and database in a secure data environment, RGGI, Inc. shall contract with a third-party vendor to establish dedicated hosting for the database. This will also serve as the environment for alpha and beta testing. Using preliminary research on the capability and cost associated with a variety of hosting options, to include all appropriate security requirements for Application Service Providers (ASPs), RGGI, Inc. shall refine this analysis and subcontract with the selected ASP. Prior to executing any subcontract, RGGI, Inc. shall provide all relevant information relating to capability, cost, and subcontract terms for the recommended ASP and two alternative ASPs, to the Agencies for approval. The successful subcontracted ASP will have acceptable plans, to be reviewed by both the Agencies and RGGI, Inc., for loss or disaster recovery and business continuance.

**Emissions Data Tracking and Processing Development**

In order for the Department to use the emissions data reported to U.S. EPA under 40 CFR Part 75 for purposes of determining source compliance with the requirements of the
Massachusetts CO₂ Budget Trading Program, a process and supporting data management tools and software must be developed. The procedures relating to this task area shall be developed by RGGI, Inc. and any necessary coordination or agreement with U.S. EPA regarding use and access to the emissions data shall be resolved. RGGI, Inc. shall also develop a detailed plan for accomplishing this task. To the extent possible, RGGI, Inc. shall use existing emissions management routines to accomplish this objective.

The end result shall be the establishment by RGGI, Inc. of emissions data management tables consistent with the Tracking System design, so that the emissions values for the compliance period are available to the Agencies for true-up purposes.

Offsets Module

RGGI, Inc. shall provide a Tracking System software platform that includes an offsets module to track offset project status, including project submittals, approvals, and supporting documentation, and maintain CO₂ allowances awarded to approved offset projects. RGGI, Inc. shall coordinate with the appropriate representatives of the Agencies to support administration of the offsets component of the Massachusetts CO₂ Budget Trading Program to ensure that the offsets applications and submittal materials used by the Department align with the capabilities and needs of the Tracking System.

The offsets module of the Tracking System shall have the functionality to track and monitor offsets project status details, such as the status of consistency applications and monitoring and verification submittals, as well as provide for public access to project documentation supporting such applications and submittals.

Tracking System Reports

The Tracking System software provided by RGGI, Inc. shall include a reports module to provide system users with reports of system data. These shall include, but may not be limited to: account allowance transfer reports, account holdings reports, CO₂ emissions reports, offsets reports, and source compliance summary reports.

I-B. Program Operation

In the program operation phase of the project, RGGI, Inc. shall provide ongoing implementation and operational support for the Tracking System, including the tasks outlined below.

Allowance Program Management

Consistent with the implementation plan developed during the design and system development phase of the project, RGGI, Inc. shall provide implementation support to the Agencies for all program activities relating to source management, allowance allocations to compliance and general accounts, and trades for both general and compliance accounts. This shall include the activity necessary to support the assignment of allowances to appropriate
accounts following the successful completion and Department approval of all allowance auctions, as well as the population of user accounts after Department award of each offset allowance.

Emissions Data Management and Analysis

Consistent with the implementation plan developed during the design and system development phase of the project, RGGI, Inc. shall perform all data management and quality assurance tasks necessary to ensure the availability of annual CO₂ emissions data from all affected units. RGGI, Inc. shall prepare and send communications to the account representatives for affected sources relating to the interim, draft, and final emissions values. RGGI, Inc. shall work with the Agencies to identify and resolve any issues relating to the submission of emissions data, and the accuracy and completeness of the data. To the extent requested by the Agencies, RGGI, Inc. shall contact industry representatives directly to resolve any outstanding issues. RGGI, Inc. shall document all issues, their resolution, and all contacts with industry representatives.

Allowance Reconciliation (True-up)

RGGI, Inc. shall assist the Department with the compliance assessment for the Massachusetts CO₂ Budget Trading Program. The Tracking System shall support data entry of compliance certifications required by the program and the identification of allowances to be deducted during the compliance process. This assessment shall factor in appropriate offsets limits as a function of a source’s reported emissions. These limits will be adjusted appropriately to address the price trigger mechanisms in the participating states’ regulations. RGGI, Inc. shall prepare draft and final compliance reports and will provide information to the Agencies’ staff contacts regarding possible non-compliance.

User Technical Support

RGGI, Inc. shall provide technical support to industry, the Agencies, and public users of the Tracking System. RGGI, Inc. shall record all technical support requests, inquiries, or other occurrences in a log that identifies the nature of the request or event, requestor, respondent, response provided, date(s) and time(s) of response, and amount of chargeable time expended on the request and response. Records shall be provided to the Agencies’ Project Managers on a periodic basis, or on demand, as requested.

As necessary, RGGI, Inc. shall provide assessments and recommendations relating to performance of the system based on the technical support levels and user feedback. RGGI, Inc. shall not be responsible for interpretation of the Agencies’ regulations, and/or interpretation of actions taken by the Agencies in enforcement of those regulations.

System and Database Support

RGGI, Inc. shall be responsible for all aspects of Tracking System maintenance and database support and management. This shall include the database initialization and setup,
ongoing database quality assurance activities, management of all user accounts and security, coordination and monitoring of the Application Service Provider support activities, database, security, and application performance, and all other tasks designed to ensure high system availability and performance. RGGI, Inc. shall provide reports, on a schedule consistent with the reporting requirement in the MOA, to the Agencies’ Project Managers on all routine activities and on any events or technical issues that will affect the operation or performance of the system. RGGI, Inc. shall oversee all data backup and audit procedures to ensure the ongoing integrity of the data.

II. Allowance Auction Platform

RGGI, Inc. shall design and implement a platform for the auctioning of allowances. RGGI, Inc. shall provide auction services in three general areas: pre-auction, auction implementation, and post-auction. In any area where services are requested, all deliverables will be presented to the Agencies in draft form for review and ultimate approval by the Agencies, which shall be provided in writing.

II-A. Pre-auction Services

Consultation

RGGI, Inc. shall work with Agencies’ staff to develop a single standard allowance purchase and sales agreement for the CO₂ Budget Trading Program for use by participating states in facilitating allowance auction transactions. In addition, RGGI, Inc. may be asked to provide general consultation to the Agencies on auction design. This may include consultation on auction activity procedures and auction closing procedures.

Auction Notices

RGGI, Inc., in consultation with the Agencies, and consistent with Agency regulations, shall create documents and associated information necessary to inform auction participants about details of each auction. Each notice of auction shall provide a specific description of the auction format that will be used, the quantities of allowances to be auctioned, and all applicable participation requirements. Such information shall be made available on a website created, maintained, and hosted by RGGI, Inc. specifically dedicated to RGGI auctions. RGGI, Inc. shall prepare for, host, and facilitate at least one auction participant conference prior to each auction, which shall include an option for participants to call in, as well as receive and respond to written questions submitted by conference participants.

Participant Qualification

RGGI, Inc., in consultation with the Agencies, and consistent with Agency regulations, shall assist in the development of all qualification application materials and documents. RGGI, Inc. shall manage, under the direction of the Agencies, the application process, including receiving and reviewing each qualification application to determine completeness and accuracy
of the information submitted. RGGI, Inc. shall be responsible for collecting and managing, though a third party, all auction financial security submissions and/or escrow accounts. RGGI, Inc., in consultation with the Agencies, shall be responsible for notifying bidders of their qualification status and maintaining a database of all qualified bidders.

**Auction Documentation and Training**

To prepare for each auction, RGGI, Inc. shall create and distribute auction materials, such as participation instructions, final auction procedures and manuals, as well as the distribution of user codes and passwords to qualified auction participants. In addition, RGGI, Inc. shall be responsible for training auction participants in the use of the auction software platform.

**II-B. Auction Implementation Services**

**Auction Platform**

RGGI, Inc. shall provide and administer, on behalf of the Agencies, an online auction platform capable of accommodating an auction in all of the following formats:

- A sealed bid, uniform price auction
- An ascending price, multiple-round auction

Furthermore, the online auction platform shall be capable of managing allowance purchase limits based on specifications provided by the Agencies, and simultaneous auctions of current vintage year allowances and future vintage year allowances. Such platform shall be capable of tracking bidding activity and must provide for audit level documentation of such activity, in accordance with auction monitoring protocols to be established by RGGI, Inc. in consultation with the Agencies.

**II-C. Post-auction Services**

RGGI, Inc. shall, on behalf of the Agencies, arrange for and facilitate the transfer of funds from successful bidders to an account designated by the Agencies and arrange for the return of financial security to bidders. RGGI, Inc. shall also be responsible for coordinating with the operation of the Tracking System for the transfer of allowances, at the direction of the Agencies, to the compliance or general accounts of the winning bidders. RGGI, Inc. shall also be required to: (1) work with any independent third party hired by the Agencies to verify the results of the auction, including potential redress in case of discovered non-compliance with regulatory auction requirements; (2) if directed by the Agencies, to post appropriate information about auction results; and (3) to work with the Agencies to use ongoing auction experience to continuously improve subsequent auctions.

**III. Model Offset Consistency Applications and Monitoring and Verification Report Submittal Documents**
RGGI, Inc. shall develop model offset consistency applications and model monitoring and verification report submittal forms for each eligible offset category, suitable for customization by the Department.

RGGI, Inc. shall design model application and submission materials to facilitate monitoring of the Agencies' offset project approval process by market observers and other participating states. All materials developed by RGGI, Inc. shall be consistent with the Model Rule criteria. The application and submission materials shall be more specific than the Model Rule criteria outlined in Sections XX-10.3, XX-10.5, and XX-10.7, with regard to required documentation. In developing these materials, RGGI, Inc. shall coordinate with the development of the Tracking System to ensure that the applications and submittal materials align with the capabilities and needs of the Tracking System. RGGI, Inc. shall develop the following specific application and submittal materials:

- RGGI, Inc. shall develop general consistency application materials, including application instructions (Model Rule section XX-10.1 through section XX-10.4).

- RGGI, Inc. shall develop category-specific consistency application materials, including application instructions, for each eligible offset project category (Model Rule subsection XX-10.3(b) and section XX-10.5). Consistency application forms shall call for required documentation in a format that will facilitate regulatory agency evaluation of the project against the Model Rule requirements.

- RGGI, Inc. shall develop monitoring and verification submittal forms, including submittal instructions, for each eligible offset project category (see Model Rule section XX-10.5 and section XX-10.7). Monitoring and verification report submittal forms shall call for required documentation in a format that will facilitate regulatory agency evaluation of the project against the Model Rule requirements. The materials shall be more specific than the Model Rule criteria outlined in Sections XX-10.5 and XX-10.7, with regard to required documentation.

IV. Model Offset Guidance Documents

RGGI, Inc. shall develop model generic and category-specific offset project guidance Documents suitable for customization by the Agencies.

The model guidance developed by RGGI, Inc. shall be detailed and easily understandable by project developers (including small businesses or other parties that may lack experience in carbon offset markets) and by regulatory agency staff, regarding submittal requirements and evaluation of specific offset projects against the Model Rule requirements. Materials shall be designed to reduce project developer time in meeting submittal requirements, to the extent practicable, and regulatory agency staff time in reviewing projects.
The model guidance documents developed by RGGI, Inc. shall explain the intent and letter of the RGGI Model Rule provisions and address any ambiguities in the Model Rule provisions, or provisions that may require clarification as to how they apply to specific types of projects. Any interpretive material shall be consistent with the Model Rule criteria and shall be reviewed with the appropriate representatives of the Agencies and the participating states.

While the Model Rule offset provisions are very detailed, and the current eligible categories are limited, many different types of projects may be eligible under the existing Model Rule requirements. Therefore questions about the applicability of specific Model Rule requirements to individual offset projects are certain to arise. RGGI, Inc. shall identify project scenarios that address questions that are likely to arise in the course of the offset application and approval processes, based on the expertise of RGGI, Inc. staff, other offset program experience, and communication with the appropriate representatives of the Department and the participating states.

RGGI, Inc. shall develop the following specific guidance document materials:

- RGGI, Inc. shall develop a single, comprehensive model generic guidance document that provides an overview of Model Rule Subpart XX-10 and the process for application and approval of offset projects, submittal of monitoring and verification reports, and the award of offset allowances.

- RGGI, Inc. shall develop six (6) category-specific model guidance documents, for each of the eligible offset categories in the Model Rule. These shall explain, step-by-step, the process, including information submittal requirements and format, by offset category, for consistency applications, approval of offset projects, and submittal of monitoring and verification reports as required in Model Rule sections XX-10.3, XX-10.4, XX-10.5, and XX-10.7.

V. Accreditation Process and Training Program for Independent Verifiers of Offset Projects

In consultation with the Agencies, RGGI, Inc. shall develop a process [11] for the accreditation of independent offset project verifiers and a related training program, consistent with the requirements of Model Rule section XX-10.6 that can be customized and used by the Agencies in accrediting independent offset verifiers.

RGGI, Inc. shall develop a formalized accreditation process and training program for independent verifiers that meets the requirements of the RGGI Model Rule, including the following:

- A process for the accreditation of independent verifiers, including review of qualifications of candidate verifiers

- A process for evaluation of candidate verifier conflicts-of-interest (COI)
• A training course for candidate verifiers (including supporting training materials)

• Application materials for accreditation

RGGI, Inc. shall develop a formalized process that can be customized for use by the Agencies to support on-going Agency review of potential verifier conflict-of-interest situations, including the following:

• Submittal forms for accredited verifier disclosure of potential COI information to be submitted and reviewed by regulatory agencies prior to the verifier engaging in work with an offset project developer

• Guidance materials to support regulatory agency staff review of COI

In developing these materials, RGGI, Inc. shall provide a review of existing greenhouse gas independent verifier accreditation standards and processes used by other voluntary and mandatory greenhouse gas management or regulatory programs, and incorporate, if appropriate, elements of these into the materials developed for the Agencies. RGGI, Inc. shall provide a brief evaluation of the standards and processes reviewed.

VI. Market Monitoring

RGGI, Inc. shall provide market monitoring services in three general areas: monitoring and auditing of allowance auctions, monitoring of relevant secondary allowance market activity, and provision of consultative services addressing market monitoring.

VI-A. Monitoring and Auditing of RGGI Allowance Auctions

RGGI, Inc. shall arrange for independent monitoring of all RGGI regional allowance auctions, some of which may involve a subset of participating states and may or may not include allowances submitted for auction by the Agencies. RGGI, Inc. shall develop data collection methods, metrics, and analytic techniques for monitoring auction performance and thresholds for identifying any collusion, market power, and/or market manipulation that may impact the efficiency and performance of the RGGI auctions.

VI-B. Monitoring of Secondary Market Behavior

RGGI, Inc. shall monitor all relevant publicly available data and indicators of market behavior in the secondary allowance market that may be expected to significantly impact the performance of RGGI auctions and the secondary allowance market.

VI-C. Consultative Services
RGGI, Inc. shall provide expert advice to the Agencies regarding how any aspects of the auction process should be altered in order to improve the performance and efficiency of the RGGI auctions and ensure the functioning of a fair and competitive primary allowance market (auctions) and secondary allowance market.

VII. Program Development Support

RGGI, Inc. shall provide program development support to the Department on an as-requested basis to facilitate Agency evaluation and consideration of potential modifications to and/or expansion of the Massachusetts CO₂ Budget Trading Program. Such services may include but are not limited to the following:

- Evaluation of additional offset categories
- Development of technical and policy recommendations related to specific CO₂ Budget Trading Program elements

VIII. Project Term

The project term is for the period beginning upon execution of a Memorandum of Agreement between the Department and RGGI, Inc. and [ending] [DATE OR NUMBER OF MONTHS]. The project term may be extended through mutual agreement by the Agencies and RGGI, Inc.

IX. Project Reporting

RGGI, Inc. shall designate a Project Manager, who shall be the one point of contact with the Agencies. The Project Manager shall be responsible for monitoring and ensuring progress for all tasks and subtasks, and for ensuring timely delivery of all deliverables outlined in this scope of work. The RGGI, Inc. Project Manager shall be responsible for all project reporting to the Agencies.

RGGI, Inc. shall submit quarterly progress reports every three months to the Agencies during the project term. These progress reports shall outline the status of progress in providing the deliverables specified in this scope of work, including identification of all completed/not completed work during the preceding three-month period for every major task identified in the scope of work. These progress reports shall also note any problems encountered by RGGI, Inc. and their actual or proposed resolution. At the end of the project term, RGGI, Inc. shall prepare and submit a draft final report that provides a description and summary of all major work tasks and submitted deliverables. The draft final report shall be revised within 60 days to address all Agency comments, and RGGI, Inc. shall submit a final report to the Agencies addressing all such comments.
In any area where deliverables will be provided, such deliverables, where deemed appropriate in consultation with the Agencies, shall be presented to the Agencies in draft form for review and ultimate approval by the Agencies in writing.
### APPENDIX C

Payment schedule to RGG, I Inc:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calendar year 2008</td>
<td>$366,428</td>
</tr>
<tr>
<td>Calendar year 2009</td>
<td>$159,451</td>
</tr>
<tr>
<td>Calendar year 2010</td>
<td>$193,464</td>
</tr>
</tbody>
</table>
APPENDIX D

Licensor grants to Licensees a fully-paid, royalty-free, non-exclusive, non-transferable, worldwide, irrevocable, perpetual, assignable license to make, have made, use, reproduce, distribute, modify, publicly display, publicly perform, digitally perform, and transmit the Property, in any media now known or hereafter known.
November 4, 2013

Nicole Singh
Executive Director
RGGI, Inc.
90 Church Street, 4th Fl
New York, NY 10007

Re: EXTENSION OF MEMORANDUM OF AGREEMENT WITH RGGI, INC.

Dear Ms. Singh:

On April 23, 2008, the Commonwealth of Massachusetts through its Department of Environmental Protection ("MassDEP") having its principal place of business at One Winter Street, Boston, MA 02108 and the Department of Energy Resources ("DOER") having its principal place of business at One Hundred Cambridge Street, Boston, MA 02114 (collectively referred to as the "Agencies"); entered into a MEMORANDUM OF AGREEMENT ("Agreement") with the REGIONAL GREENHOUSE GAS INITIATIVE, INC. ("RGGI, Inc."), a non-profit corporation having its principal place of business at 90 Church Street, New York, NY, 10119.

Under Article 6.2 of the Agreement, the Agreement shall expire on January 1, 2014, unless otherwise extended. Under Article 6.3 of the Agreement, the Agencies, at their option, may extend the Agreement for two (2) additional four (4) year terms if the Agencies determine that it is advantageous to have RGGI, Inc. continue to perform the obligations and responsibilities detailed in this Agreement. The Agreement shall be automatically extended for an additional four (4) year term upon the Agencies providing RGGI Inc. with sixty (60) days prior written notice.

Pursuant to section 6.3 of the Agreement, the Agencies hereby provide written notice to RGGI, Inc. that Massachusetts would like to extend the Agreement between the Agencies and RGGI, Inc. for an additional four (4) year term to expire on January 1, 2018, unless the Agencies choose to extend the Agreement by a second additional four (4) year term.
If you have any further questions on the extension of the Agreement or the payment schedule, please contact William Lamkin of MassDEP at (978) 694-3294 or Rachel Evans of DOER at (617) 626-7326.

Sincerely,

[Signature]

Kenneth L. Kimmell
Commissioner
Massachusetts Department of Environmental Protection

[Signature]

Mark Sylvia
Commissioner
Massachusetts Department of Energy Resources
The Commonwealth of Massachusetts
Executive Office of Energy and Environmental Affairs
100 Cambridge Street, Suite 900
Boston, MA 02114

October 31, 2017

Andrew McKeon
Executive Director
RGGI, Inc.
90 Church Street, 4th Fl
New York, NY 10007

Re: Extension of Memorandum of Agreement with RGGI, Inc.

Dear Mr. McKeon:

On April 23, 2008, the Commonwealth of Massachusetts, through its Department of Environmental Protection ("MassDEP"), having its principal place of business at One Winter Street, Boston, MA 02108, and the Department of Energy Resources ("DOER"), having its principal place of business at One Hundred Cambridge Street, Boston, MA 02114 (collectively, the "Agencies") entered into a MEMORANDUM OF AGREEMENT ("Agreement") with the REGIONAL GREENHOUSE GAS INITIATIVE, INC. ("RGGI, Inc."), a non-profit corporation having its principal place of business at 90 Church Street, New York, NY, 10119.

Pursuant to Article 6.2 of the Agreement, the Agreement was due expire on January 1, 2014, unless otherwise extended. Pursuant to Article 6.3 of the Agreement, the Agencies, at their option, may extend the Agreement for two additional four-year terms, if the Agencies determine that it is advantageous to have RGGI, Inc. continue to perform the obligations and responsibilities detailed in the Agreement. The Agreement is automatically extended for an additional 4 year term upon the Agencies providing RGGI Inc. with sixty (60) days prior written notice.

On November 3, 2013, the Agencies provided RGGI, Inc. with written notice of their intent to extend the Agreement for an additional four-year term, to expire on January 1, 2018. Pursuant to section 6.3 of the Agreement, the Agencies have again determined that it is advantageous to have RGGI, Inc. continue to perform the obligations and responsibilities detailed in the Agreement.
The Agencies hereby provide written notice to RGGI, Inc. to extend the Agreement between the Agencies and RGGI, Inc. for an additional four-year term to expire on January 1, 2022.

If you have any further questions on the extension of the Agreement or the payment schedule, please contact William Lamkin of MassDEP at (978) 694-3294 or Rachel Evans of DOER at (617) 626-7326.

Sincerely,

Martin Suuberg, Commissioner  
Massachusetts Department of Environmental Protection

Judith Judson, Commissioner  
Massachusetts Department of Energy Resources