SECOND MEMORANDUM OF AGREEMENT
BETWEEN THE COMMONWEALTH OF MASSACHUSETTS,
ACTING THROUGH ITS
DEPARTMENT OF ENVIRONMENTAL PROTECTION
AND ITS DEPARTMENT OF ENERGY RESOURCES
AND
THE REGIONAL GREENHOUSE GAS INITIATIVE, INC.

This SECOND MEMORANDUM OF AGREEMENT ("Agreement") is made and entered into by and between the Commonwealth of Massachusetts ("Commonwealth" or "Massachusetts"), acting 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"); and the REGIONAL GREENHOUSE GAS INITIATIVE, INC. ("RGGI, Inc."), a Delaware non-profit corporation having its principal place of business at 90 Church Street, 4th floor, New York, New York, 10007 (collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, as of the date of this Agreement, the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia have established a multi-state greenhouse gas control program for carbon dioxide emissions from certain electric power plants (the "Regional Greenhouse Gas Initiative" or "RGGI"), which may, in the future, be joined by additional states and/or jurisdictions;

WHEREAS, pursuant to its Certificate of Incorporation, as amended on January 3, 2019, RGGI, Inc. has been formed to serve as the sole regional organization for purposes of: (a) providing technical and scientific advisory services to the "Participating States" (as defined in the Regional Greenhouse Gas Initiative Model Rule, the latest version of which is available at: https://www.rggi.org/program-overview-and-design/design-archive/mou-model-rule) in the development and implementation of a multi-state greenhouse gas control program ("Program"), or its successor program, 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 Participating States;

WHEREAS, MassDEP promulgated and otherwise established its carbon dioxide cap and trade program pursuant to M.G.L. c.111, §§ 142A-N, M.G.L. c. 21A § 22, and corresponding regulation at 310 CMR 7.70, as amended, to: (a) stabilize and then reduce anthropogenic emissions of CO2, a greenhouse gas, from CO2 budget sources in an economically efficient manner; and (b) established the Tracking System ("Tracking System"), an electronic system to track CO2 emissions, CO2 allowances and CO2 Offset allowances, and DOER promulgated and
established the DOER CO₂ Budget Trading Program Auction Regulation pursuant to M.G.L. c.25A, §13, and M.G.L. c. 21A § 22, and corresponding regulations at 225 CMR 13.00, as amended from time to time (such carbon dioxide cap and trade program and CO₂ Budget Trading Program Auction Regulation shall collectively be referred to hereinafter as the “CO₂ Budget Trading Program”);

WHEREAS, the Agencies are not delegating to RGGI, Inc. their authority to adopt legally binding regulations to administer and enforce the Tracking System and the Auction Program;

WHEREAS, on April 23, 2008, the Parties previously executed a Memorandum of Agreement (“First MOA”) with an initial contract term through and including January 1, 2014, and which was subsequently extended twice, for four year periods each, by the Parties in accordance with the terms of said First MOA, and is now due to expire on January 1, 2022;

WHEREAS, the Agencies are authorized to execute this Agreement on behalf of Massachusetts which shall take effect immediately upon the expiration of the First MOA; 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.

SECTION 1. SCOPE OF SERVICES

1.1 RGGI, Inc. shall administer, direct, and otherwise manage the Auction Program, the Tracking System, the Market Monitor and any and all related services required under the aforementioned programs pursuant to the terms of this Agreement and the Scope of Services (“SOS”) attached hereto as Appendix A, as may be amended from time to time by mutual written agreement of the Parties, as well as in accordance with the terms of all Appendices attached hereto.

1.2 In accordance with RGGI, Inc.’s Certificate of Incorporation, as amended, 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 but not limited to the Commonwealth Standard Terms and Conditions (“Terms and Conditions”), attached hereto as Appendix B, which is incorporated by reference into the Commonwealth Standard Contract Form attached hereto as Appendix C. 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 neither Agency shall be bound by any provisions contained in a contract to which it is not a party.

SECTION 2. RESPONSIBILITIES

2.1 RGGI, Inc. shall have the following responsibilities under this Agreement:

2.1.1 RGGI, Inc. shall take full responsibility for management of the requirements in this Agreement and the SOS, and shall ensure that any of the persons, firms, associations, corporations, or body politic it has entered into contracts with to perform any of the tasks under this Agreement and the SOS shall comply with all terms of this Agreement and the SOS. RGGI, Inc. will act as primary manager for each of its contracts and will be responsible for the performance of each such contractor.

2.1.2 At all times during the term of this Agreement, RGGI, Inc. shall ensure that the Agencies have continued access to all Commonwealth Data, as defined in Section 12.1 below, as an express and ongoing responsibility and obligation under the Agreement.

2.1.3 Tracking System: RGGI, Inc. shall, as required, procure, oversee, operate, coordinate, and maintain the multi-state CO2 emissions and allowance tracking system ("COATS"), in accordance with the requirements of the Tracking System as set forth in the SOS attached hereto as Appendix A.

2.1.4 Auction Program: RGGI, Inc. shall, as required, procure, oversee, operate, coordinate, and maintain a multi-jurisdictional allowance auction platform, and conduct multi-state auctions that shall include the Massachusetts allowances, upon receipt of written notice of the allowances from DOER, in accordance with the requirements of the Auction Program as set forth in the SOS attached hereto as Appendix A.

2.1.5 Market Monitor: RGGI, Inc. shall procure market monitor services for monitoring of the multi-jurisdiction allowance auction market and monitoring of the secondary multi-jurisdiction RGGI allowance market, including Massachusetts allowance auctions and multi-jurisdictional RGGI allowance secondary markets, in accordance with the requirements of Market Monitor as set forth in the SOS attached hereto as Appendix A.

2.1.6 Record-keeping and Reporting: RGGI, Inc. shall give access to the Agencies to any reports, financial records, statistical data, invoices, and other records prepared by or for RGGI, Inc. by any third party in carrying out its responsibilities under this Agreement or the Appendices attached hereto, upon request by either of the Agencies and within a reasonable time as agreed upon by the Parties. RGGI, Inc. shall draft and provide reports as required in Section 4 of this Agreement and shall keep and maintain records as set forth in Section 8 of this Agreement.
2.1.7 RGGI, Inc. shall also undertake all related tasks and responsibilities that are necessary to deliver the services set forth in this Agreement and its Appendices, including but not limited to: the facilitation of meetings of the Participating States, conducting analysis and Program evaluation, issuing periodic reports on the Program, and any other tasks as requested by the Participating States and/or the Agencies.

2.2 The Agencies shall have the following responsibilities under this Agreement:

2.2.1 The Agencies shall make annual jurisdiction participation assessment payments as agreed under the terms of Section 3 of this Agreement.

2.2.2 The Agencies agree to provide RGGI, Inc. with a copy of final promulgated relevant MassDEP or DOER regulations and guidance documents.

2.2.3 The Agencies shall also perform any other responsibilities as detailed in this Agreement and the Appendices thereto in order to address and implement the requirements and obligations of the Parties.

SECTION 3. PAYMENT

3.1 The Agencies agree to pay RGGI, Inc. an annual state participation assessment in order for RGGI, Inc. to carry out the responsibilities and obligations detailed under this Agreement and its Appendices. Payments to RGGI, Inc. may also be used to pay for RGGI, Inc. staff and operating costs related to services provided by RGGI, Inc. to the Agencies and to multi-state programs and systems established pursuant to this Agreement and the Appendices thereto.

3.2 The Agencies agree to pay RGGI, Inc. an amount to be invoiced annually by RGGI Inc. On an annual basis, RGGI, Inc. will submit to the Agencies all invoices and supporting documentation detailing the costs incurred on behalf of the Massachusetts portion of the multi-state programs and systems established pursuant to this Agreement and the Appendices thereto. Upon receipt of an invoice(s) and full and complete supporting documentation, payment will be made to RGGI, Inc. within 45 days, subject to the Massachusetts Standard Terms and Conditions at Appendix B and the other terms of this Agreement, or as soon as funds are available to the Agencies.

3.3 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:

   Regional Greenhouse Gas Initiative, Inc.
   90 Church Street, 4th Floor
   New York, NY 10007
Payments by electronic fund transfer shall be made to the account and to the contact identified in Section 3.3 of this Agreement, in accordance with the procedures RGGI, Inc. has specified in writing to the Agencies.

SECTION 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 Tracking System, the Auction Program, and the Market Monitoring Program, including, without limitation, financial and budget reports.

4.2 From time to time, the Agencies, in consultation with RGGI, Inc., may specify additional reports and information that may be required to monitor and effectively evaluate performance under this Agreement by making a written request, which RGGI, Inc. shall provide to the Agencies within a reasonable time from the date of such requests, as agreed to by the Parties.

SECTION 5. INDEMNIFICATION

5.1 Unless otherwise exempted by law, RGGI, Inc shall indemnify and hold harmless the Commonwealth of Massachusetts in accordance with the indemnification clauses included in the Massachusetts Standard Terms and Conditions, Appendix B hereto.

SECTION 6. TERM OF AGREEMENT

6.1 The effective start date of performance under this Agreement shall be January 1, 2022. The initial term of this Agreement is five (5) years.

6.2 At its option, the Agencies may extend this Agreement for one (1) additional term of up to three (3) years, if the Agencies determine that it is advantageous to have RGGI, Inc. continue to perform the obligations and responsibilities detailed in this Agreement. This extension shall be accomplished by amendment of the Standard Contract Form, attached hereto as Appendix C.

SECTION 7. NOTICES

7.1 All notices, submissions, correspondence and other communications specifically provided for or required under this Agreement shall be made by First Class Mail, electronic mail, or by any reliable means of service of process that includes evidence of confirmation of receipt, to the person and address listed below, and shall be deemed received: (1) for First Class Mail, by that date which is three days after placement in the mail; (2) for electronic mail, on the date of electronic receipt return; or (3) for other reliable means of service of process, on the date of confirmation of receipt of service. The Agencies and RGGI, Inc. may change the contact for this Agreement by sending a written notification to the other Parties to the existing contacts under this Agreement.
7.2 Contact information:

MassDEP:

Senior Technical Advisor for Climate Programs
Massachusetts Department of Environmental Protection
One Winter Street
Boston, MA 02108
617-292-5610

DOER:

Director of Policy and Planning
General Counsel
Division of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

RGGI, Inc.:

Regional Greenhouse Gas Initiative, Inc.
90 Church Street, 4th Floor
New York, NY 10007
Attention: Executive Director

7.3 All invoices for payments shall be submitted to:

Chief Financial Officer
Department of Environmental Protection
One Winter Street, 2nd floor
Boston, MA 02108

SECTION 8. MAINTENANCE OF RECORDS

8.1 Throughout the term of this Agreement and any amendments thereto (including but not limited to, extensions of the contract term), and for a period of six (6) additional years thereafter, RGGI, Inc. shall keep, maintain and preserve at its principal offices full and detailed books, accounts and records pertaining to the performance of its obligations under this Agreement and the First MOA, 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 and the First MOA. RGGI, Inc. agrees not to destroy any such records beyond the period described above without receiving the written approval of the Agencies.
8.2 All documents generated and accepted in performance of this Agreement shall be confidential and shall not be released by RGGI, Inc. to anyone without prior written authorization by the Agencies.

8.3 RGGI, Inc. acknowledges that the Agencies may be required to disclose or release upon request certain records under their possession, custody or control, in accordance with the Massachusetts Public Records Law, M.G.L. c. 66, § 10.

8.4 All documents that are generated or accepted by RGGI, Inc., including any documents and reports generated by any contractors, in performance with this Agreement shall be made available to the Agencies upon request.

SECTION 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 sixty (60) days' prior written notice to RGGI, Inc. Any termination of this Agreement by the Agencies shall be made in accordance with Sections 4 and 5 of the Commonwealth's Terms and Conditions, attached as Appendix B.

9.2 If at any time Massachusetts is no longer a Participating State as defined in this Agreement and the RGGI Model Rule, then the Agreement may be terminated by RGGI, Inc. or the Agencies, upon reasonable written notice that includes the reasons for said termination.

9.3 If this Agreement is terminated, or RGGI, Inc. is unable to continue to perform under this Agreement, then RGGI, Inc. shall be compensated for the reasonable costs it has incurred to implement RGGI, Inc.'s responsibilities under this Agreement through the date of termination, or through the date on which RGGI, Inc. was no longer able to continue to perform under the Agreement, whichever is applicable. After the deduction of the reasonable compensation paid to RGGI, Inc. by the Agencies under this Section 9.3, any excess funds that may have been paid to RGGI, Inc. previously for services that were not performed shall be returned to the Agencies within 60 days of the date of termination of the Agreement.

SECTION 10. NO THIRD-PARTY RIGHTS

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

SECTION 11. INDEPENDENT CONTRACTOR

11.1 In carrying out the terms of this Agreement, RGGI, Inc. shall always be an independent contractor. Nothing contained in this Agreement shall be construed to create an employer-employee relationship between the Agencies or the Commonwealth and RGGI, Inc., its employees, contractors, or contractors' employees.
SECTION 12. COMMONWEALTH DATA, PROPRIETY RIGHTS, PERSONAL DATA, ACCESSIBILITY REQUIREMENTS, AND INFORMATION TECHNOLOGY SYSTEM SECURITY

12.1 For purposes of this Agreement:

12.1.1 “Commonwealth Data” means any information the Agencies (or other Commonwealth agencies or employees) has supplied to RGGI, Inc., or its contractors. The term “Commonwealth Data” also includes any information given, sent, or otherwise transmitted to RGGI, Inc., and its contractors (or through deliverables created by RGGI, Inc.) from other parties who are regulated pursuant to the Massachusetts CO2 Budget Trading Program regulation, 310 CMR 7.70 and the CO2 Budget Trading Program Auction Regulation, 225 CMR 13.00. In no case shall the ownership of Commonwealth Data transfer to RGGI, Inc., its employees, or contractors during the term of this Agreement; ownership of Commonwealth Data shall be solely vested in each or both of the Agencies, as the case may be.

12.1.2 “Deliverable” means any work product that RGGI, Inc. procures or delivers to the Agencies under the terms of this Agreement or the Appendices hereto.

12.2 The Commonwealth is usually entitled to both ownership and possession of all Deliverables purchased or developed under a Contract with State funds. However, where the Commonwealth possesses, installs, or uses proprietary IT commodities or services that have been previously developed by a contractor for the open market, this use of the IT commodities and services shall not effectuate a transfer of title or ownership of the IT commodities and services to the Agencies or the Commonwealth. It is the Parties’ express understanding and intent that the any software systems acquired, utilized, and/or delivered under this Agreement may include proprietary software and other proprietary Property provided by RGGI, Inc., or its contractors, and that such proprietary software or Property (collectively “RGGI Proprietary Property”) may result in a Deliverable, but will not result in the transfer of title or ownership of the RGGI Proprietary Property to the Agencies or the Commonwealth of Massachusetts.

12.3 For any Deliverable, other than RGGI Proprietary Property, that is designed, developed, or delivered under the terms of this Agreement, RGGI, Inc., either on its own or through the work of its contractors, shall acquire ownership of Deliverable(s) on its own behalf and on behalf of the Commonwealth, to the extent possible, in coordination with the ownership rights of the other Participating States.

12.4 For RGGI Proprietary Property, RGGI Inc., either on its own or through the work of its contractors, shall acquire licenses to use such Property that is (1) created prior to the execution of RGGI, Inc.’s contracts with its contractors and owned by such contractors or a third party; (2) created by RGGI, Inc.’s contractors under a contract with RGGI, Inc. as a derivative work with respect to property owned by a contractor or third party; and (3) created by a contractor under
such contract and not as a derivative work with respect to property owned by a contractor or third party.

12.4.1 RGGI, Inc. shall, when acquiring licenses for RGGI, Inc. to all categories of RGGI Proprietary Property defined above, obtain the same license on behalf of the Agencies as for RGGI, Inc.

12.4.2 To the extent reasonably feasible, all licenses acquired by RGGI, Inc. for RGGI Proprietary Property shall be grants to 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.

12.5 RGGI, Inc. is responsible for compliance with all Commonwealth information technology standards as set forth in this Agreement, the Scope of Services, and all Appendices; including as applicable, the Enterprise Security Policies and Standards, including any amendments to these Policies and Standards, as set forth at the following website, as may be updated from time to time: https://www.mass.gov/handbook/enterprise-information-security-policies-and-standards

12.6 Obligation of RGGI, Inc. to protect Personal Data: to the extent applicable and as part of its responsibilities under this Agreement, RGGI, Inc. (including its employees and contractors) shall comply with M.G.L. c. 66A, if RGGI, Inc. becomes a “holder” of “personal data,” and shall comply with M.G.L. c. 93H and 201 CMR 17.00, if RGGI, Inc. accesses “personal information.” RGGI, Inc. shall also protect the physical security of and restrict any access to personal or other related data of the Agencies that is in the possession of and/or used by RGGI, Inc., its employees, or contractors in the performance of this Agreement, which shall include, but is not limited to, the Agencies’ public records, documents, files, software, equipment or systems and/or any other Commonwealth Data as defined in Section 12.1.1 above. RGGI, Inc. shall also comply with the requirements set forth in Appendix C, the Commonwealth Standard Contract Form, pp. 4-5 of the Instructions, pertaining to the Protection of Commonwealth Data, Personal Data, and Information.

12.7 Accessibility: to the extent that RGGI, Inc.’s responsibilities under this Agreement include the installation, use, and operation and maintenance of public-facing software systems, RGGI, Inc. shall comply with all applicable Commonwealth Accessibility requirements and standards to the extent feasible, as set forth at the following website, as may be updated from time to time: https://www.mass.gov/guides/web-accessibility-standards

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.
SECTION 14. COMPLIANCE WITH LAWS

14.1 RGGl, 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.

SECTION 15 ENTIRE AGREEMENT/CHANGES

15.1 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.

15.2 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.

15.3 This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, including as set forth in Section 14 of the Terms and Conditions, attached hereto as Appendix B.

15.4 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.

15.5 Authorization of the use of Electronic Signatures for Agreement Execution: The Parties expressly authorize and agree that the execution of this Agreement by its authorized signatories using Electronic Signatures, whether digital or encrypted, is intended to, and will have the legal effect of authenticating this Agreement and will have the same force and effect as manual signatures.

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

[SIGNATURES ON NEXT PAGE]
SIGNATURE PAGE

Massachusetts Department of Environmental Protection by,

[Signature]

Martin Suuberg Commissioner 12/5/2021
Date: ______________________

Massachusetts Department of Energy Resources by,

[Signature]

Patrick Woodcock Commissioner
Date: 12/7/2021

Regional Greenhouse Gas Initiative, Inc. by,

[Signature]

Name: Andrew McKeon
Title: Executive Director
Date: December 3, 2021
APPENDIX A

Regional Greenhouse Gas Initiative, Inc.
Scope of Services in Support of
Massachusetts Carbon Dioxide (CO₂) Budget Trading Program

Introduction

Regional Greenhouse Gas Initiative, Inc. ("RGGI, Inc.") will provide program implementation, administrative, technical and other support services to the Massachusetts Department of Environmental Protection ("MassDEP") and the Massachusetts Department of Energy Resources ("DOER") (collectively, the "Agencies") to support the participation of the Commonwealth of Massachusetts in the multi-state CO₂ Budget Trading Program known as the Regional Greenhouse Gas Initiative ("RGGI") and to support the Agencies in the implementation of and compliance with Massachusetts regulations that establish the Massachusetts CO₂ Budget Trading Program (310 CMR 7.70) and the CO₂ Budget Trading Program Auction (225 CMR 13.00) and any applicable Massachusetts statutes, collectively the "CO₂ Budget Trading Program," consistent with the RGGI Model Rule, the latest version of which is available at: https://www.rggi.org/program-overview-and-design/design-archive/mou-model-rule.

RGGI, Inc., a non-profit organization incorporated in the State of Delaware, was formed expressly to provide program implementation, administrative, technical, and other support services to states, including Massachusetts, that participate in the CO₂ Budget Trading Program, as that term is defined in 310 CMR 7.70 and the RGGI Model Rule ("Participating States").

The Agencies and RGGI, Inc. previously entered into a Memorandum of Agreement, dated April 23, 2008, which was extended to January 1, 2022. The Agencies have now entered into a Second Memorandum of Agreement ("Agreement") with RGGI, Inc. that requires RGGI, Inc. to work with the Agencies and the other Participating States to implement the requirements outlined in the Agreement and this Scope of Services ("SOS"). Prior to executing any contract with third parties in support of the Massachusetts CO₂ Budget Trading Program, RGGI, Inc. shall provide all relevant information relating to capability, cost, and contract terms to the Agencies for review and written approval.

I. Overview

RGGI, Inc., as the agent for the Agencies and the other Participating States, will provide services to support implementation of RGGI and the Massachusetts CO₂ Budget Trading Program in the following areas:

1. Create, procure, administer, direct, and otherwise manage an electronic multi-jurisdictional CO₂ allowance tracking system ("COATS") for use by the Agencies in administering the Massachusetts CO₂ Budget
Trading Program and for use by other Participating States for their CO₂ Budget Trading Programs;

2. Create, procure, administer, direct, and otherwise manage a multi-state regional allowance auction platform, and conduct multi-state auctions for use by the Agencies in administering the Massachusetts CO₂ Budget Trading Program and for use by the other Participating States’ CO₂ Budget Trading Programs;

3. Procure and oversee market monitoring services to monitor the conduct and outcomes of the multi-state allowance auction and the secondary RGGI allowance market; and

4. Implement any other responsibilities needed to administer and support RGGI, including but not limited to, maintenance of a RGGI, Inc. website, facilitation of meetings between the Agencies and the Participating States, conducting analysis and program evaluation, issuing periodic reports on RGGI, and any other tasks as requested by the Agencies and Participating States or as maybe required under the CO₂ Budget Trading Program.

II. CO₂ Allowance Tracking System

COATS must provide for efficient compliance with the RGGI Model Rule and with the Massachusetts CO₂ Budget Trading program regulations at 310 CMR 7.70 for all users and must facilitate efficient program administration and enforcement processes for use by the Agencies and Participating States. COATS must provide the functions described below in the SOS over the contract term of the Agreement.

For the purpose of continuous evaluation and monitoring of the allowance market and compliance progress, COATS must be able to generate reports based upon submitted data. The types of reports needed for this purpose include, but are not limited to, those for: account holders; electronic submission agents; Participating States, including, without limitation, the authorized representatives designated by MassDEP and DOER; RGGI, Inc.; the market monitor; and the public. RGGI Inc. must provide COATS user training and assistance throughout the Agreement’s contract term.

III. Allowance Auctions

RGGI, Inc. shall maintain a platform for the auctioning of allowances under the Massachusetts CO₂ Budget Trading Program. In furtherance thereof, 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 must be presented to the Agencies in draft form for review and written approval by the Agencies. RGGI, Inc. may be asked to provide general consultation to the Agencies on auction design, including auction participation, and auction financing procedures.
RGGI, Inc., in consultation with the Agencies and the other Participating States, and in accordance with Participating States' regulations, shall publish information necessary to participate in each auction. Each notice of auction shall provide a description of the auction format, the quantities of allowances available, other bid requirements and all applicable participation requirements. Such information shall be published on a website maintained by RGGI, Inc. RGGI, Inc. shall facilitate at least one auction participant training prior to each auction.

RGGI, Inc., in consultation with the Agencies and other Participating States, shall assist in the development of all qualification 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. RGGI, Inc., in consultation with the Agencies, shall be responsible for collecting and managing 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.

RGGI, Inc. shall maintain, on behalf of the Agencies and other Participating States, an online auction platform capable of accommodating an auction, and ensure administration of such auction platform. The online auction platform shall be capable of managing allowance purchase limits based on specifications provided by the Agencies and other Participating States, 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.

RGGI, Inc. shall, on behalf of the Agencies, 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 be responsible for the operation of COATS for the transfer of allowances, at the direction of the Agencies, to the compliance accounts or general accounts of winning bidders. RGGI, Inc. shall also be required to: (1) work with any independent third party, at the request of the Agencies and/or Participating States, to verify the results of the auction, including potential redress and/or remedies in the event of non-compliance with regulatory auction requirements; and (2) publish information about auction results, at the direction of the Agencies.

IV. Program Development Support

RGGI, Inc. shall work with the Agencies and other Participating States to use
auction and COATS experience and feedback to periodically review and improve the CO₂ Budget Trading Program. RGGI, Inc. shall provide program development support to the Agencies as requested, to facilitate the Agencies’ evaluation and consideration of potential modifications to and/or expansion of RGGI. Such services may include, but are not limited to, development of technical and policy options related to specific RGGI program elements, hosting stakeholder meetings, and contracting for economic modelling services.
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 the official version of this form, as jointly published by ANF, CTR and OSD, shall be void. Upon execution of the Standard Contract Form these Commonwealth Terms and Conditions will be incorporated by reference. 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 product 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, the effective start date of performance under a Contract shall be the later of the date the Contract was executed by an authorized signatory of the Contractor, the date the Contract was executed by an authorized signatory of the Department, the date specified in the Contract, or the date of any approvals required by law or regulation.

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 intercept 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 Comptroller’s payment system unless a different payment mechanism is required. The Contractor shall timely submit invoices and supporting documentation as prescribed in a Contract. The Department shall review and return rejected 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 prior 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 or 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 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. Record-Keeping And 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 six (6) 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. Subcontracts 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,
COMMONWEALTH TERMS AND CONDITIONS

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 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 certifies 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 signing the Standard Contract Form.
COMMONWEALTH OF MASSACHUSETTS - STANDARD CONTRACT FORM

This form is jointly issued and published by the Office of the Comptroller (CTR), the Executive Office for Administration and Finance (ANF), and the Operational Services Division (OSD) as the default contract for all Commonwealth Departments when another form is not prescribed by regulation or policy. The Commonwealth reserves the right to refuse or attach (in the form of addendum, engagement letters, contract forms or invoice terms) to the terms in this published form or to the Standard Contract Form Instructions and Contractor Certifications, the Commonwealth Terms and Conditions for Human and Social Services or the Commonwealth IT Terms and Conditions which are incorporated by reference herein. Additional non-conflicting terms may be added by Attachment. Contractors are required to access published forms at CTR Forms: https://www.mass.gov/forms. Forms are also posted at OSD Forms: https://www.mass.gov/forms.

CONTRACTOR LEGAL NAME: (and dba): Regional Greenhouse Gas Initiative, Inc.

COMMONWEALTH DEPARTMENT NAME: Department of Environmental Protection

MMARS Department Code: E6Q

Legal Address: (W-9, W-4): 90 Church Street, 4th Floor, New York, NY 10007

Business Mailing Address: One Winter Street, 6th floor, Boston, MA 02108

Contract Manager: Peter Rennée

Phone: (617)628-3127

Billing Address (if different): N/A

E-Mail: Peter.Rennée@rggiinc.com

Contractor Manager: Winifred Prendergast

Phone: 617-292-0086

Contractor Vendor Code: VC0000401964

E-Mail: winifred.prendergast@mass.gov

Vendor Code Address ID (e.g. "ADD001"): AD __

(Note: The Address ID must be set up for EFT payments.)

RFR/Procurement or Other ID Number: Grant

MMARS Doc ID(s): CT 300022197686RGGICONT

The Standard Contract Form Instructions and Contractor Certifications and the following Commonwealth Terms and Conditions document are incorporated by reference into this Contract and are legally binding: (Check ONE option): X Commonwealth Terms and Conditions. Commonwealth Terms and Conditions For Human and Social Services Commonwealth IT Terms and Conditions

COMPENSATION: (Check ONE option): The Department certifies that payments for authorized performance accepted in accordance with the terms of this Contract will be supported in the state accounting system by sufficient appropriations or other non-appropriated funds, subject to intercept for Commonwealth owed debts under 815 CMR 9.00.

X Rate Contract. (No Maximum Obligation) Attach details of all rates, units, calculations, conditions or terms and any changes if rates or terms are being amended.

Maximum Obligation Contract. Enter total maximum obligation for total duration of this contract (or new total if Contract is being amended). $ 0

PROMPT PAYMENT DISCOUNTS (PPD): Commonwealth payments are issued through EFT 45 days from invoice receipt. Contractors requesting accelerated payments must identify a PPD as follows: Payment issued within 10 days 1% PPD; Payment issued within 15 days 3% PPD; Payment issued within 30 days 5% PPD. If PPD percentages are left blank, identify reason: agrees to standard 45 day cycle statutory/legal or Ready Payments (M.G.L. c. 29, § 23A) only initial payment (subsequent payments scheduled to support standard EFT 45 day payment cycle. See Prompt Pay Discounts Policy.)

BRIEF DESCRIPTION OF CONTRACT PERFORMANCE OR REASON FOR AMENDMENT: (Enter the Contract title, purpose, fiscal year(s) and a detailed description of the scope of performance or what is being amended for a Contract Amendment. Attach all supporting documentation and justifications.)

Second Memorandum of Agreement Between the Commonwealth of Massachusetts, Acting Through its Department of Environmental Protection and Department of Energy Resources, and the Regional Greenhouse Gas Initiative, Inc.: The Regional Greenhouse Gas Initiative ("RGGI") is a regional cap and invest program designed to secure CO2 emissions reductions from the fossil fuel electricity generation sector. Created in 2005 through a Memorandum of Understanding ("MOU") between 7 states, the RGGI program has since grown to include 11 states (known as "Participating States"), including Massachusetts. Massachusetts' participation is authorized by G.L. c. 21A, § 22 and G.L. c. 21N, § 7, and was accomplished through MOU among RGGI Inc., the Massachusetts Department of Environmental Protection ("MassDEP") and the Massachusetts Department of Energy Resources ("DOER").

Pursuant to the MOU, in 2007 the Participating States established Regional Greenhouse Gas Initiative, Inc. ("RGGI, Inc."), a New York-based nonprofit organization incorporated in Delaware, for the exclusive purpose of "facilitating" the ongoing administration of RGGI. Each individual RGGI state, including Massachusetts, has a contract with RGGI, Inc., so that RGGI Inc. can provide the Participating States with administrative, technical, and support services related to the RGGI program, in return for payment of an annual and proportional assessment to cover the cost of these services. These services are essential to the operation of the RGGI program, promulgated through 310 CMR 7.70 and 72S CMR 13.00. In April 2008, MassDEP and DOER (the "Agencies," acting jointly on behalf of the Commonwealth) entered into a Memorandum of Agreement ("MOA") with RGGI Inc. (initial 5-year term and two 4-year extensions), which will expire on January 1, 2022.

The attached Second MOA with RGGI Inc. would allow RGGI, Inc. to continue providing the essential services needed to continue operation of the RGGI program, for a term of up to 8 years (initial 5-year term and one 3-year extension).

PUBLISHED ANNUAL START DATE: (Complete ONE option only) The Department and Contractor certify for this Contract, or Contract Amendment, that Contract obligations:

1. may be incurred as of the Effective Date (latest signature date below) and no obligations have been incurred prior to the Effective Date.

X 2. may be incurred as of January 1, 2022, a date LATER than the Effective Date below and no obligations have been incurred prior to the Effective Date.

3. were incurred as of 20_. a date PRIOR to the Effective Date below, and the parties agree that payments for any obligations incurred prior to the Effective Date are authorized to be made either as settlement payments or as authorized reimbursement payments, and that the details and circumstances of all obligations under this Contract are attached and incorporated into this Contract. Acceptance of payments forever releases the Commonwealth from further claims related to these obligations.

CONTRACT END DATE: Contract performance shall terminate as of January 1, 2027, with no new obligations being incurred after this date unless the Contract is properly amended, provided that the terms of this Contract and performance expectations and obligations shall survive its termination for the purpose of resolving any claim or dispute, for completing any negotiated terms and warranties, to allow any close out or transition performance, reporting, invoicing or final payments, or during any lapse between amendments.
COMMONWEALTH OF MASSACHUSETTS ~ STANDARD CONTRACT FORM

CERTIFICATIONS: Notwithstanding verbal or other representations by the parties, the “Effective Date” of this Contract or Amendment shall be the latest date that this Contract or Amendment has been executed by an authorized signatory of the Contractor, the Department, or a letter Contract or Amendment Start Date specified above, subject to any required approvals. The Contractor certifies that they have accessed and reviewed all documents incorporated by reference as electronically published and the Contractor makes all certifications required under the Standard Contract Form Instructions and Contractor Certifications under the terms and penalties of perjury, and further agrees to provide any required documentation upon request to support compliance, and agrees that all terms governing performance of this Contract and doing business in Massachusetts are attached or incorporated by reference herein according to the following hierarchy of document precedence, the applicable Commonwealth Terms and Conditions, this Standard Contract Form, the Standard Contract Form Instructions and Contractor Certifications, the Request for Response (RFR) or other solicitation, the Contractor’s Response (excluding any language stricken by a Department as unacceptable, and additional negotiated terms, provided that additional negotiated terms will take precedence over the relevant terms in the RFR and the Contractor’s Response only if made using the process outlined in 801 CMR 21.07, incorporated herein, provided that any amended RFR or Response terms result in best value, lower costs, or a more cost effective Contract.

AUTHORIZING SIGNATURE FOR THE CONTRACTOR:

[Signature and Date Must Be Captured At Time of Signature]

Print Name: Andrew McKeon
Print Title: Executive Director

AUTHORIZING SIGNATURE FOR THE COMMONWEALTH:

[Signature and Date Must Be Captured At Time of Signature]

Print Name: Marcella Payen
Print Title: Chief Financial Officer (DDER)

MMARS Doc ID(s): CT 30002219788RGGICONT

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