



COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF  
ENERGY AND ENVIRONMENTAL AFFAIRS  
**DEPARTMENT OF ENERGY RESOURCES**

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March 11, 2021

Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station, 5<sup>th</sup> Floor  
Boston, MA 02110

**RE: D.P.U. 21-40, Request for Proposals Seeking Long-Term Contracts for Offshore Wind Energy Generation Pursuant to Section 21 of Chapter 227 of the Acts of 2018 and Section 83C of Chapter 188 of the Acts of 2016.**

Dear Secretary Marini:

On March 10, 2021, pursuant to the authority under Section 21 of Chapter 227 of the Acts of 2018 (“2018 Act”) and subject to Section 83C *et seq.* of the Green Communities Act (Chapter 169 of the Acts of 2008), as added by Section 12 Chapter 188 of the Acts of 2016 (hereinafter “Section 83C”) and 220 CMR § 23.00 *et seq.*, Fitchburg Gas and Electric Light Company d/b/a Until, Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid, NSTAR Electric Company d/b/a Eversource Energy (collectively, the “Distribution Companies”) proposed a timetable and method for the third solicitation of long-term contracts for Offshore Wind Energy Generation (as defined in a Request for Proposal (“RFP”)) to the Department of Public Utilities (“Department”) for its review and approval. The Massachusetts Department of Energy Resources (“DOER”) writes separately to confirm that the Distribution Companies’ filing is a joint filing with the DOER. Pursuant to the Section 83C requirements, the Distribution Companies and DOER jointly developed the RFP, in consultation with the Office of the Attorney General (“AGO”) and with the full participation and oversight of an Independent Evaluator (“IE”). As such, the DOER requests that the Department approve the timetable and method for solicitation of long-term contracts for Offshore Wind Energy Generation, as set forth in the Distribution Companies’ filing dated as of March 10, 2021.

The proposed timetable and method of solicitation is an RFP-based process that is structured, in part, upon the RFPs the Department previously reviewed and approved, most recently for Section 83C Round 2 (D.P.U. Docket No. 19-45) and the preceding Section 83C Round 1 (D.P.U. Docket No. 17-103). As part of the RFP drafting process, for the first time under a Section 83C procurement, the Distribution Companies and DOER released the draft RFP for public review and received numerous comments regarding the contents.

The proposed RFP now filed with the Department for review builds on previous national leadership for offshore wind procurement and contains changes that were made in response to the public comments, consultations with state agencies, and from lessons learned from prior solicitations. The RFP was also amended to address recommendations DOER made at the conclusion of its offshore wind energy transmission investigation carried out pursuant to the 2018 Act. DOER thanks the public stakeholders that submitted comments on the draft RFP for their informative and thoughtful comments. Additionally, DOER is grateful to the Distribution Companies for incorporation of many of the recommendations from the DOER offshore wind transmission investigation in the RFP and from partners in other state agencies that provided expertise in some of the areas highlighted below. Specific changes to the RFP include, but are not limited to:

- Price Cap: The nominal levelized price of any proposal submitted pursuant to the RFP must be less than \$77.76 per MWh, per the requirements of Section 83C(b), representing the levelized price per megawatt hour plus transmission costs that resulted from the previous contracts the Department approved.<sup>1</sup>
- Bid Size: The RFP seeks to procure at least 400 MW and up to 1600 MW of offshore wind energy generation. The solicitation will allow bidders to offer proposals from 200 MW up to approximately 1600 MW. There is no preferred bid size. By allowing larger bid sizes than prior rounds, a bidder should have more flexibility to design bids to efficiently and cost-effectively use available lease areas, interconnection points, transmission cabling, and other infrastructure.
- Economic Development & Diversity: DOER worked to include for the first time a requirement for bidders to submit a diversity, equity and inclusion plan for ensuring access to employment and economic opportunities for minority, women, veterans, LGBT and persons with disabilities. Based on feedback from stakeholders and community leaders, DOER worked with state agency partners on an RFP provision to direct bidders to submit a Workforce Diversity Plan and Supplier Diversity Program Plan that outlines their commitments to actively recruit and promote opportunity for a

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<sup>1</sup> National Grid included an alternative proposal in the RFP that would apply a different price cap structure applicable to all proposals only if approved by the DPU. In December 2020, Congress extended and increased the federal Investment Tax Credit (“ITC”) available to offshore wind projects to 30 percent. The PPA executed between Mayflower Wind and the Distribution Companies included a provision to lower the PPA price according to a set schedule if as a result of a change in law affecting the ITC that occurs prior to the commercial operation date, Mayflower Wind is able to qualify for an ITC that is in excess of 12 percent. Mayflower Wind is obligated to maximize the ITC for which it qualifies to the extent permitted under applicable law. If Mayflower Wind can qualify for and secure the 30 percent ITC, its PPA price will decrease to \$70.26/MWh. Public commenters that spoke to this alternative price cap proposal all advised against the National Grid alternative. *See* Baystate Wind, Comment at 3-4; Equinor, Comment at 2; RENEW Northeast, Comment at 2; Vineyard Wind, Comment at 3-4.

diverse set of workers and businesses. Bidders may consult with the Massachusetts Supplier Diversity Office to develop their diversity, equity and inclusion plans. Further, the RFP criteria on economic benefits recognizes the continued importance of robust economic development being paired with offshore wind development and details the types of commitments that may be included within a proposal regarding workforce development, local supply chain, and research and innovation, where feasible. Bidders must propose strategies to track and report on progress in achieving these promised economic benefits and diversity commitments and DOER will work with any winning bidder to implement an agreed-upon reporting strategy.

- Environment and Socioeconomic Issues: The RFP includes a new Appendix J that details more robust criteria to be considered for Environmental and Socioeconomic Impacts from Siting in the qualitative evaluation. These criteria pertain to impacts on the environment, wildlife, commercial and recreational fishing, visual impacts, and cultural and tribal resources. It also directs bidders to describe any impacts on Environmental Justice (“EJ”) populations, proposed mitigation measures, and plans for engagement and programs to benefit EJ populations.
- Qualitative Evaluation Factors: The RFP increases the emphasis on qualitative factors in the evaluation process, with 30 points out of 100 total to be allocated to qualitative factors (and 70 points to quantitative factors). The increase from 25 to 30 points for qualitative factors was adopted in this solicitation to increase the evaluation’s emphasis on the sections covering economic benefits and diversity, equity, and inclusion; low-income ratepayer benefits; and environmental and socioeconomic impacts, including EJ population impacts.
- Standards of Conduct: In recognition of the potential for proposals from affiliated bidders and based on feedback from the IE, to better insure a fair and transparent process, the Distribution Companies worked with the IE to revise their respective Standards of Conduct from the prior solicitation rounds.

The Department’s approval of the RFP will establish a timetable and method of solicitation which further promotes a transparent, consistent, and objective solicitation process. Conducting the forthcoming solicitation under the proposed RFP will also facilitate the Department’s review of the subsequent contracts with the selected bidder(s) so that those contracts may be approved in an efficient and timely manner in furtherance of the objectives of Section 83C.

The upcoming solicitation conducted pursuant to the RFP will be coordinated by an evaluation team comprised of representatives from each of the Distribution Companies and the DOER and overseen by the IE that is under contract with DOER and that was jointly selected with the AGO. Per Section 83C, the inclusion of an IE in the solicitation and bid selection process under this RFP is designed to provide enhanced fairness and transparency. As part of its role laid out in Section 83C, the IE will be making subsequent filings to the Department analyzing the timetable and method of solicitation currently before it and also the solicitation process implemented by the Distribution Companies and the DOER once final executed contracts are submitted for the Department’s review.

DOER respectfully requests that the Department approve the timetable and method of solicitation contained in the proposed RFP. Upon the Department's approval, the DOER expects the Distribution Companies to issue the RFP to interested parties. This filing is an important step towards the procurement of cost-effective long-term contracts for offshore wind energy generation that will enable the Commonwealth of Massachusetts to satisfy the important policy directives encompassed in Section 83C and to assist the Commonwealth with meeting its Global Warming Solutions Act goals.

Respectfully submitted,

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF ENERGY RESOURCES

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