

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES**

Joint Petition of NSTAR Electric Company, d/b/a)
Eversource Energy, Massachusetts Electric)
Company and Nantucket Electric Company, each)
d/b/a National Grid, Fitchburg Gas and Electric Light) D.P.U. 20-16, 20-17, 20-18
Company d/b/a Unitil, for Approval of Proposed Long-Term)
Contracts for Offshore Wind Energy Generation)
Pursuant to Section 83C of An Act Relative to Green)
Communities, St. 2008, c. 169, as amended by St. 2016,)
c. 188, § 12)

Joint Petition of NSTAR Electric Company, d/b/a)
Eversource Energy, Massachusetts Electric)
Company and Nantucket Electric Company, each)
d/b/a National Grid, Fitchburg Gas and Electric Light) D.P.U. 22-70, 22-71, 22-72
Company d/b/a Unitil, for Approval of Proposed Long-Term)
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Pursuant to Section 83C of An Act Relative to Green)
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**Comments of the Department of Energy Resources on the Amendments to Power Purchase
Agreements, Termination Agreements and Releases**

I. BACKGROUND

On February 10, 2020, NSTAR Electric Company d/b/a Eversource Energy (NSTAR Electric), Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (together National Grid); and Fitchburg Gas and Electric Light Company d/b/a Unitil (Unitil) (collectively, Companies) filed petitions with the Department of Public Utilities (Department) pursuant to *An Act Relative to Green Communities*, St. 2008, c. 169, § 83C (Section 83C) and 220 CMR 23.00, each for approval of two long-term power purchase agreements (PPAs) to purchase offshore wind energy generation and associated renewable energy certificates (RECs). The Department docketed the NSTAR Electric petition as D.P.U. 20-16, the National Grid petition as D.P.U. 20-17, and the Unitil petition as D.P.U. 20-18 (Section 83C Round 2 PPAs). On May 25,

2022, the Companies filed petitions with the Department pursuant Section 83C and 220 CMR 23.00, each for approval of two PPAs to purchase offshore wind energy generation and associated RECs. The Department docketed the NSTAR Electric petition as D.P.U. 22-70, the National Grid petition as D.P.U. 22-71, and the Unitil petition as D.P.U. 22-72 (Section 83C Round 3 PPAs). In all proceedings, the Companies sought approval of 20-year PPAs for an apportioned share of energy and RECs executed with offshore wind energy generating resource developer SouthCoast Wind Energy, LLC, f/k/a Mayflower Wind Energy, LLC (SouthCoast Wind). Under the SouthCoast Wind Section 83C Round 2 PPAs, the Companies purchased 804 MW, while under the Section 83C Round 3 PPAs, the Companies purchased 405 MW of a 480 MW facility (SouthCoast Wind Projects or the Projects). On November 5, 2020 and December 30, 2022, respectively, the Department issued Orders approving the Section 83C Round 2 and Section 83C Round 3 PPAs between the Companies and SouthCoast Wind (final Orders).

On August 29, 2023, the Companies filed, at the request of SouthCoast Wind, a Second Amendment to the PPAs, Termination and Release for the Section 83C Round 2 PPAs and a First Amendment to the PPAs, Termination Agreement and Release for the Section 83C Round 3 PPAs (Termination Agreements) both seeking to terminate the PPAs approved on November 5, 2020 and December 30, 2022, respectively, in exchange for SouthCoast Wind agreeing to: (1) pay a Termination Payment in the amount of \$60,419,300.00 apportioned to each of the Companies by load-share that will be credited to the Companies' customers through the Companies' respective Long-Term Renewable Contract Adjustments. Pursuant to the Department's August 31, 2023, *Notice of Filing and Request for Comments* (Notice) and as explained further below, the Massachusetts Department of Energy Resources (DOER) requests the Department approve the Termination Agreements. At this time, granting approval of the Termination Agreements is critical to the future viability of the SouthCoast Wind Project and provides \$60,419,300.00 in short-term

rate relief to the ratepayers in the Commonwealth.

II. DISCUSSION

In recognition of SouthCoast Wind's inability to move forward on either the 804 MW or 405 MW SouthCoast Wind Projects under the approved PPAs, DOER supports the Department's approval of the Termination Agreements, which will allow for the project to seek viability through other means while preventing protracted litigation unlikely to produce additional ratepayer benefits. Indeed, DOER recognizes the significant inflationary pressures and supply-chain issues facing projects like SouthCoast Wind and is committed to the development of a robust offshore wind industry in the region.

DOER supported the SouthCoast Wind PPAs, in part because the Projects represented significant and important progress towards achieving the Commonwealth's Global Warming Solutions Act targets. That the SouthCoast Wind Projects are untenable under current market conditions is disappointing. DOER maintains that the successful development of offshore wind projects in the region is essential for a clean, diversified energy portfolio as well as providing greater opportunities for development of local supply-chain and offshore wind industry jobs in the Commonwealth. Approval of the Termination Agreements will help provide opportunity for the commercial success of the project. Additionally, DOER finds that the Termination Agreements consider ratepayer protections even under failed PPAs with the return of over \$60 million to ratepayers through each Company's Long-Term Renewable Contract Adjustment. This provision effects short-term rate relief to the Commonwealth in exchange for the Projects' lost opportunities.

III. CONCLUSION

For the foregoing reasons, DOER requests the Department approve the Distribution Companies' request to terminate the long-term PPAs by and between each Distribution

Companies and SouthCoast Wind.

Respectfully submitted,

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES

By its attorney:

/s/ Colin P. Carroll

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Date: September 15, 2023

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Joint Petition of Fitchburg Gas and Electric Light)
Company d/b/a Unutil, Massachusetts Electric)
Company and Nantucket Electric Company, each)
d/b/a National Grid, NSTAR Electric Company, d/b/a) D.P.U. 22-70, 22-71, 22-72
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Certificate of Service

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 220 CMR 1.05(1).

/s/ Colin P. Carroll
Colin P. Carroll

September 15, 2023