



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

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Commissioner

January 18, 2024

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 3rd Floor
Boston, MA 02110

Re: Long-Term Contracts for Offshore Wind Energy Generation Pursuant to Section 83C of Chapter 169 of the Acts of 2008, as Amended – D.P.U. 23-42

Dear Secretary Marini:

On August 23, 2023, the Department of Public Utilities (Department or DPU) issued a final Order approving the proposed timetable and method for the fourth solicitation contained in a request for proposals (RFP) for offshore wind energy generation pursuant to Section 83C of the Green Communities Act, St. 2008, c.169, as amended by the Energy Diversity Act, and the Act Driving Clean Energy and Offshore Wind (Section 83C) (the Order), subject to the directives of the Department. The RFP was proposed jointly by Massachusetts Department of Energy Resources (DOER), Fitchburg Gas and Electric Light Company, d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid, and NSTAR Electric Company d/b/a/ Eversource Energy (collectively, the Petitioners).

The RFP schedule contemplated forthcoming guidance from the U.S. Treasury Department relevant to offshore wind. RFP Section 3.6 included a provision to extend the bid submission deadline if guidance from the U.S. Treasury Department was issued after December 1, 2023, but before the bid submission deadline of January 31, 2024. At this time, the U.S. Treasury Department has not issued final guidance. On November 22, 2023, the U.S. Treasury Department released a Notice of Proposed Rulemaking (NPR) on the *Definition of Energy Property and Rules Applicable to the Energy Credit*.¹ The NPR contained proposed regulations regarding the application of changes to the Investment Tax Credit (ITC) from the

¹ Available at: <https://public-inspection.federalregister.gov/2023-25539.pdf>

Inflation Reduction Act (IRA) of 2022. The ITC is a key tax credit available to offshore wind projects, and the proposed regulations would update the types of energy property eligible for the energy credit, including additional types of energy property added by the IRA. The provisions could potentially reduce costs and resulting bid prices within offshore wind proposals. Comments are due on the regulations by January 22, 2024, and Massachusetts is coordinating with other states to file comments. The public hearing on these proposed regulations is scheduled to be held on February 20, 2024, after which the guidelines would be finalized.

Petitioners believe that revising the solicitation schedule for Section 83C Round IV to account for this ongoing process is crucial to encourage the most cost-effective bids for the benefit of Massachusetts ratepayers. In light of the current uncertainty around federal tax guidance, Petitioners are concerned that the existing solicitation schedule may produce bids that do not maximize the potential clean energy tax benefits of offshore wind and result in the lowest cost for Massachusetts ratepayers. Allowing additional time for bid submission would allow bidders to put forward proposals that incorporate with greater certainty, all available federal tax credits. The competitive structure in the Section 83C Round IV RFP encourages bidders to leverage all available state and federal tax credits to put forward proposals that offer the greatest benefits for Massachusetts ratepayers.

At this time, Petitioners are notifying the Department that they are extending the Bid Submission Date and subsequent solicitation schedule dates by an additional 56 days each (see Table 1) to allow Bidders the opportunity to gain more certainty around their eligibility for the ITC and factor it into their proposals for long-term offshore wind energy generation. Pursuant to RFP Section 3.1, the Evaluation Team reserves the right to revise the schedule as necessary.² The Evaluation Team also plans to notify all eligible bidders of this change to the solicitation schedule via a posting to MACleanEnergy.com. Further, the Evaluation Team will provide an Informational Filing to the Department with any updates to the Indexing Adjustment Mechanism based on these changes to the solicitation dates.

Table 1. Revised 83C Round IV Solicitation Schedule

Event	Original RFP Dates	Revised Dates
Due Date for Submission of Confidential and Public Proposals	January 31, 2024 at 12:00 (noon) EDT	March 27, 2024 at 12:00 (noon) EDT
Selection of Projects/Commence Negotiations	June 12, 2024	August 7, 2024
Execute Long Term Contracts and MOU with DOER	August 14, 2024	October 9, 2024

² The availability of the 60-day extension described in Section 3.6 of the RFP ceases January 31, 2024.

Submit Long Term Contracts for DPU Approval	September 18, 2024	November 13, 2024
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Thank you for your attention to this matter. Please contact me with any questions regarding this filing.

Respectfully submitted,

DEPARTMENT OF ENERGY RESOURCES

By its attorneys,



Robert Hoaglund, Esq.
Ben Dobbs, Esq.
Colin Carroll, Esq.
100 Cambridge Street
Boston, MA

Enclosures

cc: Alycia Goody (Acting General Counsel, DPU)
Kevin Crane, Esq. (Hearing Officer, DPU)
D.P.U. 23-42 Service List

Certificate of Service

I hereby certify that I have this day served the foregoing documents 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

January 18, 2024