

DOER Request for Stakeholder Comment: Offshore Wind Additional Procurement Study

DOER is inviting interested stakeholders to provide input into its investigation under the 2018 Act by responding in writing to the following questions. These questions solely pertain to additional procurements above and beyond the 1,600 MW solicitations currently required by Section 83C. Any reference to “additional OSW procurements” refers to solicitations that are incremental to the 1,600 MW of solicitations already authorized under Section 83C.

Please email written responses to eric.steltzer@mass.gov by Friday March 1, 2019 at 5:00pm, and where applicable, links to resource materials that may be useful for DOER to review in its investigation. Please note that responses will be considered public information.

Respondent Information

1. Please provide the name of your organization and your contact information.

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2. Please briefly describe your organization and your interest in the Commonwealth’s OSW procurements.

We’re a loosely formed alliance of individuals and institutions advancing clean and sustainable energy in the Worcester area. Offshore wind generation is at the forefront meeting the provisions of the Global Warming Solutions Act and Renewable Portfolio Standards.

Necessity

3. Are additional OSW procurements for long-term Power Purchase Agreements that are above and beyond those authorized by Section 83C necessary to support the development of OSW?

Yes.

- a. What are the advantages and disadvantages of longer and shorter term (i.e. 10 years, 25 years) periods for Power Purchase Agreements to developers, ratepayers, or others?

We have 12 years to limit climate change catastrophe, warns UN
(<https://www.theguardian.com/environment/2018/oct/08/global-warming-must-not-exceed-15c-warns-landmark-un-report>)

The advantage? We save human civilization from catastrophic climate change.

- b. Are there advantages or disadvantages in soliciting OSW in a stand-alone procurement – or could it compete in a broader renewable or clean energy procurement?

It could compete in a broader procurement.

4. Are the opportunities to participate and earn revenue in the wholesale markets (e.g. Energy, Capacity, and Ancillary Services) and renewable energy certificate payments sufficient to support the development of new OSW projects? Why or why not? Are there recommended changes to the wholesale market structure or renewable energy portfolio standard that would impact your answer?

No – not sufficient. Development of offshore wind on the coast of New England will be very challenging. Hence Commonwealth support to enable its actualization.

5. Are there other forms of financing mechanisms, such as Offshore Renewable Energy Certificates (ORECS), that could support OSW? What are the costs and benefits of an additional OSW procurement(s) on potential pricing and other impacts on wholesale markets (e.g. Energy, Capacity, and Ancillary Services)? Please be as specific as possible as to which markets you are referring too.

No comment.

a. What, if any, would be the effect on the wholesale markets caused by an additional OSW procurement(s)?

No comment.

b. If there would be any negative effect, are there recommended solutions to mitigate the effect?

No comment.

7. Would additional OSW procurement(s) incremental to procurement under Section 83C have any specific wholesale market impacts on other low/no emission resources?

No comment.

8. What are the potential pricing and compliance impacts of additional OSW procurement(s) on Renewable Energy Certificate and Clean Energy Certificate markets?

No comment.

9. Will additional OSW procurement(s) have specific seasonal market impacts?

10. Is an additional 1600MW of solicitation(s) the appropriate target? Why or why not?

Its a good starting point. A consideration of appropriateness must occur in the context of meeting the goal of 100% renewable by 2050. A first solicitation must then be followed, after evaluation, with a second solicitation, accelerating the developments.

Transmission

11. What are the advantages and disadvantages of requiring a coordinated OSW transmission network?

There should be a coordinated transmission network so as to most efficiently deliver generation to the shore.

a. If there are advantages, what would be required to accomplish this?

A single HVDC spline - https://en.wikipedia.org/wiki/High-voltage_direct_current buried on the sea-bed optimized to connect turbines.

b. Are there changes to the solicitation process that could accomplish this?

Probably.

c. Could state or regional support for a transmission system to support further offshore wind development be sufficient to finance further offshore wind development?

Yet to be seen.

Other Factors that Impact Cost and Price

12. What, if any, impact will the expiration of the federal Investment Tax Credit have on future pricing for additional OSW procurement(s)?

No comment.

13. What is the potential for advancement of technological improvements in offshore wind sector to affect pricing for any additional OSW procurement(s)?

Like any nascent industry, there will be advancements. Some of these will bring down the costs of development.

14. What restrictions on price shall there be on any additional OSW procurements, if any?

Should each successional procurement be required to reflect a price decrease?

No comment.

15. With pending retirements in New England should there be a particular focus on specific development areas and/or transmission interconnection points to relieve future reliability constraints?

In general, OSW developments will contribute significantly to grid reliability. But only the extent these developments occur BEFORE scheduled retirements.

Economic Development and Supply Chain

16. Will requiring the Distribution Companies to undertake an additional OSW solicitation of up to 1600 MW impact the development of offshore wind supply chain services in the Commonwealth? If so, what potential economic benefits to the Commonwealth may result if OSW supply chain services are located in MA? Are there certain services or products in the OSW supply chain that are more likely to locate in the Commonwealth than others?

The Commonwealth should focus on bringing the entire manufacturing base needed to the region. The economic benefits should be obvious.

18. Are there actions, outside of additional OSW procurement(s), that the Commonwealth should consider to secure OSW supply chain services are located in MA? Please explain.

Defer to the Executive Office of Energy and Environmental Affairs.

Regional Coordination

19. Should Massachusetts coordinate with other states in any future solicitations of OSW?

Coordination with RGGI states would be beneficial to the effort. In particular, a HVDC spline on the seabed could be extended North to Maine and Canada. Such a spline could be used to deliver Canadian Hydropower generation to the Commonwealth, bypassing the problems encountered so far by the Governor with land based transmission lines.

20. What are the advantages or disadvantages to coordinating?

No comment, notwithstanding there would be both advantages and disadvantages.

Other

21. Please provide any other comments pertain to the necessity, benefits and cost of additional OSW procurement(s).

Good luck with the effort!