

DOER Request for Stakeholder Comment: Offshore Wind Additional Procurement Study

Section 21 of Chapter 227 of the Acts of 2018 (“2018 Act”), An Act to Advance Clean Energy, requires the Department of Energy Resources (“DOER”) to investigate the necessity, benefits and costs of requiring the electric distribution companies to conduct additional offshore wind (OSW) generation solicitations of up to 1,600MW beyond those already required by 83C of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12 (“Section 83C”).

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. Thank you.

Respondent Information

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

[Anne Hawkins, Executive Director, Responsible Offshore Development Alliance \(RODA\)](#)

Contact: annie@rodafisheries.org; P.O. Box 66704 Washington D.C. 20035

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

[RODA is a membership-based coalition of fishing industry associations and fishing companies with an interest in improving the compatibility of new offshore development with their businesses. Our Board of Directors consists of representatives of commercial fishing businesses and vessels from federally- and state-permitted Atlantic fisheries from North Carolina to Maine. Currently our membership includes major Atlantic fishing associations, dealers, and affiliated businesses, plus over 120 vessels across nine states operating in approximately 30 fisheries. Massachusetts-based fishermen comprise a significant portion of our membership and directors. For more information about our membership in Massachusetts or RODA more generally, please contact us directly.](#)

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? 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?

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?

[RODA believes that the development of offshore wind energy projects should be approached on a well-planned regional level with full consideration of impacts to commercial fishing. When projects are conceived, designed, permitted, and approved on a one-by-one basis, it is impractical or impossible to evaluate the true impacts to fisheries, fish resources, and the ocean ecosystem as a whole \(either for a specific project or in terms of cumulative impacts\). A broader structured process is necessary to adequately devise strategies for long-term compatibility of offshore wind and sustainable fisheries.](#)

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?

5. Are there other forms of financing mechanisms, such as Offshore Renewable Energy Certificates (ORECS), that could support OSW?
6. 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. a. What, if any, would be the effect on the wholesale markets caused by an additional OSW procurement(s)?
- b. If there would be any negative effect, are there recommended solutions to mitigate the effect?
7. Would additional OSW procurement(s) incremental to procurements under Section 83C have any specific wholesale market impacts on other low/no emission resources?
8. What are the potential pricing and compliance impacts of additional OSW procurement(s) on Renewable Energy Certificate and Clean Energy Certificate markets?
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?

We are deeply alarmed at the rapid pace of development and the consequential decisions being made in the absence of any scientific record. Very little is currently known regarding the specific impacts offshore wind energy development will have to commercial fishing. In order to gain more information, and to inform future leasing decisions in a way that allows for the continuation of sustainable fishing practices, offshore wind energy should be developed in an adaptive way that allows for collection of pre-construction baseline data and post-construction impact monitoring. These studies require time series that are too long to fit into a leasing process that is rushed or that proceeds haltingly. Therefore, we urge Massachusetts to approach decisions deliberatively and cautiously to ensure that the rush to capitalize on one natural resource is not pursued at the direct expense of another.

Transmission

11. What are the advantages and disadvantages of requiring a coordinated OSW transmission network? a. If there are advantages, what would be required to accomplish this?

To the extent to which a coordinated transmission network would ultimately lead to less structure in the water and under the seafloor, it would create fewer impacts to fishing practices and fishery resources. It would also allow a predictable process for determining the most suitable locations for cables and other infrastructure with full consideration of the scientific record and input from fishermen.

- b. Are there changes to the solicitation process that could accomplish this?
- c. Could state or regional support for a transmission system to support further offshore wind development be sufficient to finance further offshore wind development?

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

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?

17. Are there certain services or products in the OSW supply chain that are more likely to locate in the Commonwealth than others?

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.

Regional Coordination

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

Yes, it should be working much more closely with other states *and* the federal government including the National Marine Fisheries Service and the U.S. Coast Guard. State agencies charged with energy decision making should also coordinate closely with the MA Department of Marine Fisheries as well as relevant agencies in other states.

20. What are the advantages or disadvantages to coordinating?

Regional coordination is the only approach that allows meaningful consideration of fisheries impacts. In the project areas (which are on federal lands and waters, *not* subject to state jurisdiction), fisheries are federally-permitted and fishermen from the entire region operate there. State-based approaches do not and cannot account for the regional nature of federal fishing, impacts to fisheries stock assessments, ecosystem dynamics, and regional economics. This is clearly evidenced by the recent state-based “mitigation” discussions for the Vineyard Wind project that have been met with universal disappointment from the fishing industry.

Other

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

RODA would like to express dismay that the State’s considerations for procurement have, to date, focused primarily on markets, power pricing, and fostering energy competition, with very minimal consideration of fisheries. Fishing has enormous economic significance in Massachusetts—from vessels on the water to associated shoreside businesses all the way up the supply chain. Any decisions made by the State with regard to offshore wind energy development should be done with the clear goal of achieving compatibility with commercial fishing practices and maintaining healthy ecosystems. According to the most recent Fisheries Economics in the U.S. summary report by NOAA, the seafood industry employed over 1.2 million individuals and generated \$39.7 billion income in 2015. In Massachusetts alone, the seafood industry supported over 80,000 jobs in 2015.¹ These jobs and the historic industry must be protected and not relegated to an afterthought.

¹ National Marine Fisheries Service (2017) Fisheries Economics of the United States, 2015. U.S. Dept of Commerce, NOAA Tech. Memo. NMFS-F/SPO-170, 247p.