

Request for Comment on Massachusetts Offshore Wind Transmission and Notice of Date for Technical Conference

January 15, 2020

In 2018, Massachusetts passed *An Act to Advance Clean Energy*, Chapter 227 of the Acts of 2018 (the “Act”), which required the Massachusetts Department of Energy Resources (DOER) to 1) investigate the necessity, benefits and costs of requiring the electricity distribution companies (EDC) to conduct solicitations and procurements for up to 1,600 MW of additional offshore wind and 2) evaluate previous solicitation and procurement processes and make recommendations for any improvements. Additionally, the Act allows DOER to require the EDCs to jointly and competitively solicit and procure proposals for offshore wind energy transmission sufficient to deliver energy generation procured under the Act.

In accordance with the Act, DOER released the Offshore Wind Study in May 2019 through which DOER directed the EDCs to proceed with additional offshore wind solicitations for up to 1,600 MW of offshore wind and only enter into contracts if found to be cost-effective. DOER recommended that the additional procurements should be conducted for up to 800 MW in 2022, 2024 and, if necessary, to meet the 1,600 MW procurement target, 2026. The additional time between the 2019 and 2022 procurements allows for DOER to solicit written comment and hold a technical conference to gather data on whether and/or how a solicitation for independent transmission¹ should occur and, if warranted, issue a separate contingent solicitation for independent transmission prior to additional solicitations for offshore wind. This request for comment begins the process to gather information and data for a possible separate contingent solicitation for independent transmission. This effort will be undertaken in partnership with the Massachusetts Clean Energy Center (MassCEC).

MassCEC’s offshore wind program focuses on supporting and accelerating the responsible development of offshore wind projects and increasing the role of local and regional companies, institutions, and workers in the offshore wind industry. MassCEC leads a wide portfolio of offshore wind-related initiatives in close collaboration with policy makers, developers, industry, academia and stakeholders. These initiatives are focused in three primary areas: (1) *Sector Development* – In coordination with partner agencies, efforts to expand local manufacturing and services, workforce training, and ports analysis and development; (2) *Planning, Analysis and Engagement* – Technical projects and stakeholder engagement on fisheries, wildlife, wind/ocean conditions, transmission and other areas; and (3) *Research, Monitoring and Evaluation* – Projects led by local and regional institutions, with industry and government, to advance technology innovation, learn from early deployments, and expand offshore energy research in Commonwealth.

¹ “Independent transmission” refers to an electrical connection for delivery of offshore wind energy to the onshore grid that is developed, owned and operated by an independent third-party and not the offshore wind developer.

Written Comments

All interested stakeholders and members of the public are encouraged to provide written comments prior to a technical conference that will be co-hosted by MassCEC and DOER on March 3rd (see conference details at the end of this notice). Written comments may include, but are not limited to, comments on the general cost and benefits of coordinated offshore wind transmission for the region and/or a potential independent transmission procurement in Massachusetts. The following set of stakeholder questions are meant to guide feedback; please provide any additional comments on topics you deem relevant to the discussion. Please provide response to as many of the questions as you are comfortable, but you do not need to address them all.

Please note that all written comments submitted will be made publicly available prior to the technical conference at <https://www.mass.gov/service-details/offshore-wind-study>. Please submit all written comments to Marian Swain² (Marian.Swain@mass.gov) no later than **Tuesday, February 18, 2020**.

Stakeholder Questions

- 1) What are some of the benefits, challenges, and risks of pursuing independent offshore wind (OSW) transmission, whether supported through a separate transmission procurement or not, and what are the highest priority concerns or issues? How do these benefits, challenges, and risks change with the scale of OSW generation development?
- 2) Compared to the current approach of relying on project-specific generator lead lines for OSW projects, how would the development of independent OSW transmission change:
 - a. The type and scale of potential environmental impacts?
 - b. The type and scale of impacts on existing ocean uses, including commercial and recreational fishing?
 - c. The type and scale of impacts to onshore communities and stakeholders?
- 3) How likely is it that independent OSW transmission could be financed and built without a long-term contract? What other methods could spur development?
- 4) What are the potential impacts, benefits and risks of a separate OSW transmission solicitation for Massachusetts ratepayers?
- 5) How could a separate OSW transmission solicitation be structured to ensure fair competition without providing an unfair advantage or disadvantage to any particular OSW developer?
- 6) What is the ideal timing for a separate solicitation for independent OSW transmission to be released and a selection to be made?
 - a. When would a separately-procured OSW transmission project need to be operational to synchronize with and not delay the construction and interconnection of a specific OSW project?
 - b. What are appropriate contract term lengths for a separately-procured OSW transmission project to be viable?
 - c. How could the timing of a separate solicitation for independent OSW transmission interact with federal and state permitting processes, either for a separately-procured OSW transmission developer or an OSW generation developer?

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- 7) What steps or provisions could be made in generator lead lines for early OSW projects that would facilitate networking or conversion to independent OSW transmission at a later date?
 - a. What are the potential costs, benefits, and risks of networking multiple OSW generator lead lines?
- 8) What provisions or conditions should be developed to ensure that separately-procured OSW transmission meets the technical needs of current and reasonably foreseeable OSW energy projects, given the evolution of technologies?
- 9) What type of contracts might be required and/or what are key elements that should be addressed in potential contracts as part of a separate OSW transmission solicitation, including contracts between:
 - a. An OSW generation developer and a separately-procured transmission project developer, and
 - b. The Massachusetts EDCs and a separately-procured transmission project developer?
 - c. How could these differ from existing contracts under the generator lead line solicitation option?
- 10) With a separate solicitation for OSW transmission, what additional questions, risks, and concerns might OSW generation developers face as they prepare bids dependent on a potential separately-procured transmission for the delivery of their generation to shore? How might such questions, risks, and concerns best be addressed?
- 11) When weighing benefits, costs, and risks to Massachusetts ratepayers, how could potential bids be analyzed to compare a separately-procured OSW transmission project to project-specific interconnection through generator lead lines?
 - a. Are there specific interconnection locations, public interest factors, or other transmission project benefits that should be specifically weighted in an analysis of independent OSW transmission bids?
- 12) What information and commitments should be required in a bid submission for a separately-procured OSW transmission project?
- 13) What other questions, concerns, or issues have you identified relating to a separate OSW transmission solicitation?

Technical Conference Date

The technical conference will consist of a morning and an afternoon session and will include both a discussion on the general costs and benefits of coordinated transmission, as well as the form of a potential independent transmission procurement under current legislative authority. Attendance is open to the public with registration and RSVP required. Registration information will be forthcoming and will be limited by space availability and thus will be offered on a “first come, first served” basis. The Technical Conference will be held:

DATE: Tuesday, March 3, 2020

LOCATION: Federal Reserve Plaza, 600 Atlantic Ave., Boston, MA 02210

TIME: 9am-12:30am (Morning Session); 1:30pm-4pm (Afternoon Session)

A description of the format and topics for the technical conference is included below.

Technical Conference Format and Topics

Morning Session: Presentation and Discussion on the Costs and Benefits of Coordinated Offshore Transmission

MassCEC will host the morning session and will include panel presentations and discussions moderated by MassCEC and offshore wind transmission experts and stakeholders, including opportunities for question from the audience. The scope of the morning session will be to: (1) provide background and context on the role of transmission in offshore wind; (2) introduce options/approaches for delivery and tie-in to the onshore grid; and (3) identify benefits, challenges, and other factors for consideration in coordinated transmission planning efforts.

Specific topics to be discussed include:

- Offshore wind transmission configurations and designs;
- Ownership models and associated benefits, costs, and risks of independent transmission for offshore wind;
- Key lessons from independent offshore wind transmission from Europe and others;
- Interconnection points and processes;
- Regulatory, legal and regional considerations;
- Implications for wholesale market participation; and
- Business models and methods to support development.

The full agenda with speakers for the morning session will be released prior to the Technical Conference.

Afternoon Session: Forum on Structuring a Potential Independent Transmission Procurement

DOER will host the afternoon session. The scope of the session will be limited to the structure, timing and other provisions of a potential procurement for independent offshore transmission under current legislative authority. The session will consist of an introduction from DOER and a DOER-moderated discussion with parties having an interest in a potential independent transmission procurement, followed by audience questions or statements from members of the public. Interested parties include, but are not limited to, those anticipated to have direct involvement with a potential transmission procurement and subsequent regulatory approval process, including amongst others the Massachusetts EDCs, offshore wind developers, independent transmission developers, and regulatory parties. Information provided during the technical conference will be part of the data utilized by DOER to determine whether to proceed with an independent transmission solicitation using its authority under the Act. This information will not be the sole information utilized by DOER to make this determination. DOER may continue to solicit stakeholder comment on the following topics or new topics raised during this forum after the conclusion of the technical conference and before a determination is made.

Specific topics to be discussed may include:

- Form of a potential independent transmission solicitation;
- Structure of a potential independent transmission bid;
- Method of evaluating independent transmission bids;

- Form of contractual relationships between potentially selected transmission project and EDCs and future generation developers; and
- Integration with future offshore wind generation procurements.

The full agenda with names and affiliations of interested parties participating in the afternoon session will be released prior to the Technical Conference.