For a thriving New England

CLF Massachusetts 62 Summer Street

62 Summer Street Boston, MA 02110 P: 617.350.0990 F: 617.350.4030 www.clf.org



May 13, 2025

Joanna K. Troy Deputy Commissioner Massachusetts Department of Energy Resources (DOER) 100 Cambridge St #1020 Boston, MA 02114 joanna.k.troy@mass.gov

Re: CLF Comments on Draft DOER Procurement Review Report: Clean Energy Development

Dear Deputy Commissioner Troy:

I. <u>Introduction</u>

Conservation Law Foundation¹ ("CLF") submits the following comments on Massachusetts Department of Energy Resources' ("DOER")'s Draft Solicitation and Procurement Effectiveness Report ("Draft Procurement Report"). CLF submitted its first comments on March 17, 2025 ("March 17 Comments"). DOER is now required to review the Commonwealth's existing solicitations and procurements and make recommendations as to future procurements of clean energy resources to ensure the Commonwealth complies with its clean energy goals set under the Global Warming Solutions Act ("GWSA") and An Act Creating A Next-Generation Roadmap for Massachusetts Climate Policy ("Roadmap Law").² CLF appreciates DOER's efforts to incorporate stakeholder comments into the Draft Procurement Report and for including a public comment period as recommended by CLF. This letter highlights additional points that CLF recommend be included in the final report.

¹ Founded in 1966, CLF is a nonprofit, member-supported, regional environmental organization working to protect New England's environment for the benefit of all people. We use the law, science, and markets to create solutions that build healthy communities, sustain a vibrant economy, and preserve natural resources, including resources affected by the generation, transmission, and distribution of electric power. CLF seeks to advance sound clean energy policies that strengthen Massachusetts' economic vitality and achieve our climate goals.

² Governor Healey Signs Climate Law to Advance Clean Energy Transition, Create Jobs and Lower Costs, Mass.Gov Press Release (Nov. 21, 2024), https://www.mass.gov/news/governor-healey-signs-climate-law-to-advance-clean-energy-transition-create-jobs-and-lower-costs; *see* St. 2008, c. 298; *see also* St. 2021, c. 28.

II. <u>CLF's Recommendations</u>

To strengthen DOER's Procurement Report, CLF provides the following recommendations:

1. The Draft Procurement Report can add more specificity to strong environmental mitigation requirements:

The Draft Procurement Report states that "RFPs will require bidders to provide: ... ix. plans for mitigation, minimization and avoidance of detrimental environmental and socioeconomic impacts, including through meaningful consultation with impacted environmental and socioeconomic stakeholders, including federally recognized and state acknowledged tribes and, in the case of offshore wind, commercial and recreational fishing."³ CLF supports incorporation of these specific factors and encourages DOER to also require bidders to use the best available scientific and technological data to ensure science-based stakeholder-informed decision making.⁴

2. The Draft Procurement Report did not mention that RFPs should be implemented in a manner that protects natural resources and marine life:

As stated in CLF's March 17 Comments, offshore wind projects implemented under future RFPs should be developed in a manner that adequately protects valuable and irreplaceable natural resources, including marine life such as the North Atlantic right whale – a critically endangered species. DOER should require: (1) robust clearance zone and exclusion zone distances prior to activities that could injure or harass marine mammals; (2) shutdown of activities if marine mammals are detected visually, or if North Atlantic right whales are detected visually or acoustically, within the relevant exclusion zone for the species; and (3) mandatory 10-knot vessel speed restrictions on all vessels in all areas and at all times, as well as other vessel-related measures while underway. Massachusetts should require that offshore wind developers take proactive actions to protect the North Atlantic right whale during offshore wind site assessment, construction, and operations.⁵

³ Massachusetts Solicitation and Procurement Effectiveness Report (Draft), Massachusetts Department of Energy Resources with Levitan and Associates, at 80 (April 2025), https://www.mass.gov/doc/draft-solicitation-and-procurement-effectiveness-report/download (hereinafter (Draft Procurement Report).

⁴ CLF's March 17 Comments emphasized that specificity in environmental mitigation measures is important, including but not limited to development that: (i) avoids, minimizes, mitigates, and monitors adverse impacts on wildlife and habitats, (ii) minimizes negative impacts on other ocean uses, (iii) includes robust consultation with Native American tribes and communities, (iv) meaningfully engages state and local governments and stakeholders from the outset, (v) includes comprehensive efforts to avoid impacts to underserved communities, and (vi) includes comprehensive efforts to underserved communities.

⁵ See CLF's March 17 Comments for additional information.

3. Massachusetts should implement a coordinated transmission approach to meet the state's offshore wind goals:

The Draft Procurement Report emphasizes that other states have implemented a coordinated transmission approach, such as New Jersey.⁶ CLF supports and reiterates that a coordinated approach to developing offshore transmission can substantially reduce the need for costly onshore upgrades and will generally result in lower costs in both the near and long-term. The Draft Procurement Report states that in New York, "NYSERDA believes that development of points of interconnection through a coordinated transmission planning process like the PPTN process would provide cost clarity to developers bidding in NYSERDA's solicitations, allowing them to reduce or eliminate the risk premium ascribable to interconnection cost uncertainty."⁷ As Massachusetts experienced with the original 83C solicitation, it is difficult to generate lower cost generation bids without a high level of certainty that an offshore interconnection point will be operational by the contract delivery date. CLF supports that MA's future RFPs should encourage solicitations to promote a coordinated transmission network by placing greater weight on bids that plan for interconnection with an offshore transmission grid and permit open-access transmission for other leaseholders.

4. The Draft Procurement Report inadequately mentions public engagement:

The Draft Procurement Report states, "Following public engagement, DOER will revise the RFP as appropriate and open the solicitation to Bidders. Bidders will submit bids consistent with the RFP requirements."⁸ Stakeholder engagement and capacity building will be crucial towards community acceptance of offshore wind. Stakeholders should be identified, contacted and consulted with early in the process and during project development and operations to facilitate ongoing dialogue.⁹ CLF appreciates that the Clean Energy Procurement Drafting Team solicited comments in this instance, but more can be done. In future RFPs, DOER should require that bidders develop a meaningful stakeholder engagement plan¹⁰ with special consideration for and involvement of members of environmental justice communities likely to be impacted by the project(s).

⁶ Draft Procurement Report, *supra* note 3, at 55.

⁷ *Id.* at 58.

⁸ Id. at 78.

⁹ Offshore Wind Farm Projects, *Stakeholder Engagement & Community Benefits: A Practical Guide* (May 2021), https://iea-wind.org/wp-content/uploads/2021/11/Offshore-Wind-Stakeholder-Engagement-KEEGAN-May-31st-2021.pdf.

¹⁰ Accordingly, any stakeholder engagement plan should at a minimum: (1) ensure that community members are made aware of the proposed projects that may affect them; (2) provide meaningful opportunities for community members and organizations to get involved, including opportunities for the public to provide written and oral comments; and (3) provide resources and technical assistance regarding the proposed projects, including plain-language summaries and translated materials as needed. Meaningful engagement of members of environmental justice communities, and other stakeholders, from the outset can help build consensus, address community concerns, and promote equitable project development and implementation.

5. The Draft Procurement Report inadequately mentions how future RFPs advance Massachusetts' pathway towards achievement of a just energy transition:

Clean energy facilities can benefit environmental justice populations across the Commonwealth if they are sited correctly and reduce the Commonwealth's reliance on fossil fuels. Unfortunately, the Draft Procurement Report made no mention of the "just energy transition" and could add more specificity on the importance of environmental justice communities to be meaningfully involved in the process. Future RPFs must encourage developers to prioritize safety, engage with local environmental justice populations, and include community members throughout the process.

6. The Draft Procurement Report includes measures on monitoring and reporting:

CLF appreciates DOER's efforts to incorporate an independent evaluator to "monitor and report on the solicitation and bid selection process" and in assisting DOER to determine "whether a proposal is reasonable."¹¹

7. The Draft Procurement Report contemplates and assesses how other states have assessed economic development:

Although Massachusetts only awards up to 15 points total for economic development,¹² CLF recommends that Massachusetts consider awarding more points (out of 100) for economic development and project impact minimization to more appropriately reflect their importance to Massachusetts vis-à-vis offshore wind energy development and better incentivize developers to commit to providing economic benefits and minimizing impacts from their proposals.¹³

8. Massachusetts should take a prudent approach regarding Commercial Operation Date requirements to ensure deadlines do not limit competition:

DOER should consider soliciting projects with Commercial Operation Dates ("COD") that can help the Commonwealth achieve its climate goals while also ensuring that such deadlines do not limit competition, constrain developers' ability to respond to supply chain signals, or compromise project viability. CLF reiterates that while issues can arise in the development process, DOER should consider a loss of incentives if facilities fail to meet the COD and be willing to grant an extension to the COD if there are legitimate challenges to the COD such as supply chain issues. However, DOER should assess whether the developer demonstrated a good faith effort of failing to meet the original timeline.

¹¹ Draft Procurement Report, *supra* note 3, at 4.

¹² See Request for Proposals for Long-Term Contracts for Offshore Wind Energy Projects, MASSACHUSETTS DEPARTMENT OF ENERGY RESOURCES (Aug. 30, 2023), https://macleanenergy.com/wp-content/uploads/2023/08/83c-rd4-rfp-8.30.2023.pdf.

¹³ Draft Procurement Report, *supra* note 3, at 39.

III. Conclusion

CLF appreciates DOER's efforts to engage the public in its work and looks forward to working with the Department as it helps move our Commonwealth toward a cleaner and electrified future.

Respectfully Submitted,

 \mathcal{N} 3

Anxhela Mile Staff Attorney Conservation Law Foundation 62 Summer Street, Boston, MA 02109 Phone: (617) 850-1736 Email: <u>amile@clf.org</u>

| From: | Natalicia Tracy |
|----------|--|
| То: | Troy, Joanna K (ENE) |
| Subject: | DOER"s Report Recommendations from Community Labor United Inc. |
| Date: | Monday, May 12, 2025 4:27:23 PM |

CAUTION: This email originated from a sender outside of the Commonwealth of Massachusetts mail system. Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Dear Deputy Commissioner Troy,

Please accept the following as a formal public comment on behalf of Community labor United Inc. in response to DOER's release of the draft Procurement and Solicitation Effectiveness Report:

As the Commonwealth continues to invest in clean energy, future procurements of clean energy resources must include strong labor standards. Massachusetts prides itself on promoting sustainability and equity, and this is the time to put these values into action.

DOER's report should recommend strong labor and community standards on all clean energy procurements. These recommendations should promote building clean energy projects under project labor agreements with prevailing wages and registered apprenticeship programs and operating and maintaining projects with labor peace agreements with relevant unions.

These recommendations are essential to aligning the Commonwealth with other states leading in clean energy while maintaining strong labor standards. They will help ensure that future clean energy projects are built with the highest quality and create safe, equitable, familysustaining jobs.

We appreciate the time and opportunity to share public comments on the report and thank you in advance for your consideration. We are looking forward to future opportunities to engage in conversation before the final report is released in June 2025.

Thank you for your consideration,

Natalicia Tracy, Ph.D. Community Labor United, Chief Executive Director.

Natalicia R Tracy, Ph.D. Community Labor United Inc. Chief Executive Director Mobile: 617-659-4548

?

Sponsorships, Tickets, more details here

CAUTION: This email originated from a sender outside of the Commonwealth of Massachusetts mail system. Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Dear Deputy Commissioner Troy,

Please accept the following as a formal public comment on behalf of SEIU Local 509 in response to DOER's release of the draft Procurement and Solicitation Effectiveness Report:

As the Commonwealth continues to invest in clean energy, future procurements of clean energy resources must include strong labor standards. As our union members experienced years ago with the transition to deinstitutionalization, if we don't plan the transition properly workers end up paying for it.

DOER's report should recommend strong labor and community standards on all clean energy procurements. These recommendations should promote building clean energy projects under project labor agreements with prevailing wages and registered apprenticeship programs, and operating and maintaining projects with labor peace agreements with relevant unions.

This will help ensure that future clean energy projects are built with the highest quality and create safe, equitable, family-sustaining jobs. Let's join the other states that are already doing this.

Thank you in advance for your consideration. We are looking forward to future opportunities to engage in conversation before the final report is released in June 2025.

Jon Grossman Climate/Environmental Justice Committee staff SEIU 509

Jon Grossman SEIU Local 509 293 Boston Post Road West 4th floor Marlborough, MA 01752 pronouns: he/his (617) 312-7180

Brookfield

Brookfield Renewable 200 Liberty Street, 14th Floor New York, NY 10281 Tel 646.992.2400 Fax 646.992.2470 www.brookfieldrenewable.com

May 13, 2025

Joanna K. Troy Deputy Commissioner Massachusetts Department of Energy Resources 100 Cambridge Street, 9th Floor Boston, MA 02114 **Submitted by email: joanna.k.troy@mass.gov**

Subject: Massachusetts Solicitation and Procurement Effectiveness Report

Brookfield Renewable¹ thanks the Department of Energy Resources (DOER) for the opportunity to submit comments on the Massachusetts Solicitation and Procurement Effectiveness Draft Report (Draft Report). Brookfield Renewable's feedback is aimed at providing constructive considerations to support the DOER as it considers changes to evolve clean energy procurement in the Commonwealth.

I. Resource Solicitation Plan and Procurement Eligibility

A significant proposed change included in the Draft Report is the proposed development and implementation of a Resource Solicitation Plan (RSP) to determine procurement capacity needs, technology type(s) and timelines necessary to support the decarbonization requirements of the Global Warming Solutions Act and Clean Energy and Climate Plan. At a high level, the DOER's proposal to utilize RSPs to guide future procurements, and to allow flexibility to adjust timelines and procurement targets in relation to market conditions and policy demands, is sensible.

However, Brookfield Renewable urges flexibility that also extends to resource vintage, such that any new planning and procurement framework is relied on to identify the need for and timing of contracting for both new *and existing* resources. This is especially notable given the recent lessons-learned on resource procurement and the evolving and challenging posture of federal policies impacting resource availability and viability. In contrast, procurement of existing resources can lock in long-term value to ratepayers when

¹ Brookfield Renewable is a leading owner, operator and developer of renewable power, delivering innovative renewable power solutions that accelerate the world towards a sustainable, low-carbon future. In Massachusetts, our facilities include a 660MW pumped hydropower storage facility (Bear Swamp), a 10MW hydroelectric facility (Fife Brook) and a large fleet of affiliate-owned existing and proposed distributed solar generation.

compared to both the costs and challenges to new buildout (siting, interconnection, supply chain and labor constraints etc.), ensuring that affordability remains a cornerstone to meeting policy requirements.

Specifically, Brookfield Renewable urges the DOER to consider opportunities for contracting that supports continued operations, reinvestment and/or upgrades to existing hydropower, as well as repowering of onshore wind as part of any RSP development. Explicit consideration of these resource-types and related opportunities can ensure 1) an appropriate resource mix for maintaining system reliability under a low-carbon grid at lowest costs, 2) avoidance of resource overbuild, and 3) new resource procurement that is complementary and does not have the counterproductive effect of displacing existing contributors to Massachusetts' clean energy goals. Taken together, these considerations make certain that affordability is not sacrificed in the path toward policy achievement.

II. Contract Structure

The DOER proposal suggests a potential preference for attribute-only procurement inclusive of indexing adjustments based upon assumed energy market revenues. Importantly, if an indexing mechanism is ultimately pursued the DOER should consider a methodology that provides as close to project-specific "reference pricing" as possible to ensure any adjustments accurately reflect available market revenues for a given project. Absent this specificity, the potential exists for significant basis differential between market revenues at a project node and a reference price tied to a zonal price and/or as a result of reliance on time-averaged reference pricing as opposed to generation-weighted pricing. If bidders identify price risks not accounted for in the reference price, significant risk premiums may be relied on by bidders, resulting in increased costs for the procurement of attributes.

In addition, given the focus on renewable attributes only, the DOER should clarify the relevance of Alternative Compliance Price (ACP) caps in relation to future procurements or otherwise propose adjustments to ACPs in tandem with this process. As market design and related revenue opportunities may result in declining merchant revenue opportunities for new and existing facilities during the term envisioned, RECs compensation will need to make up the difference to support project financing and resource viability. This is especially significant given the DOER's apparent preference for indexing adjustments as part of a future contracting program.

Brookfield Renewable appreciates the DOER's consideration of our comments. Please don't hesitate to contact me directly to discuss any of these issues further.



Brookfield Renewable 200 Liberty Street, 14th Floor New York, NY 10281 Tel 646.992.2400 Fax 646.992.2470 www.brookfieldrenewable.com

Sincerely,

Str. 7

Steve Zuretti Senior Director, Origination and Policy Brookfield Renewable <u>steven.zuretti@brookfieldrenewable.com</u> 323-400-9715

NEW ENGLAND FOR OFFSHORE WIND

MA-NE4OSW Members

350 Mass Acadia Center Advanced Energy United Association to Preserve Cape Cod Black Economic Council of MA Blue Green Alliance **Bristol Community College** Ceres **Clean Water Action** Climate Jobs MA Elders Climate Action, MA Chapter Environmental League of MA Green Energy Consumers Alliance Health Care Without Harm Iron Workers Local 7 League of Women Voters MA MA AFL-CIO Mass Audubon National Wildlife Federation NASRCC North Shore Labor Council Oceantic Network PowerOptions **Revision Energy** Salem Alliance for the Environment Seaside Sustainability Sierra Club Third Act MA Union of Concerned Scientists VHB

Deputy Commissioner Joanna Troy 100 Cambridge Street., 9th Floor Boston, MA 02114

RE: Massachusetts Solicitation and Procurement Effectiveness Report

Public Comment Opportunity

Dear Deputy Commissioner Troy,

The Massachusetts State Committee of New England for Offshore Wind appreciates the opportunity to submit comments on DOER's draft Solicitation and Procurement Effectiveness Report.

We are a diverse coalition of over 30 environmental and justice organizations, labor unions, academic and research institutions, and businesses that aims to drive regional collaboration and commitments to responsibly developed offshore wind in New England.

Offshore wind is our best opportunity for new sources of clean, renewable energy in the Northeast, which features some of the best offshore wind resources in the country. Thanks to its technical potential, offshore wind is the single biggest lever we can pull to reduce emissions, address the climate crisis, and grow the economy at the same time. Expanding and diversifying the region's energy

resources through the development of offshore wind will also increase energy security and provide reliability benefits, particularly when this resource is strongest during the winter. We want to see this industry developed responsibly with clear policies, frameworks, and strategies, and we are pleased to see that DOER's draft Procurement and Solicitation Effectiveness Report leads with a commitment to advancing the responsible development of offshore wind to meet Massachusetts' ambitious climate goals.

We commend DOER for proposing a number of methods to enhance its clean energy solicitation and procurement process. As Massachusetts works to achieve its clean energy and climate commitments while ensuring affordable electricity for ratepayers, DOER's leadership will be critical in ensuring the Commonwealth's ongoing progress. We are encouraged by DOER's dedication to incorporating broad stakeholder feedback as well as lessons learned from prior solicitations to ensure its process for procuring clean energy is the best that it can be.

We support DOER's proposed legislative reforms to implement a new, 3-year Resource Solicitation Plan (RSP) process to outline the resources, capacity, and timing for individual Requests for Proposals (RFPs). We agree with DOER that the proposed RSP structure would address many of the identified limitations of the current solicitation and procurement process, while offering a number of added benefits. By outlining the content and schedule for clean energy solicitations to be conducted in

May 13, 2025

subsequent years, DOER would be able to improve the procurement and solicitation process in several ways:

- **Comprehensive, Multi-Resource Solicitations** DOER would be able to design and issue RFPs that better align with the requirements and timelines established in the Global Warming Solutions Act (GWSA) and goals laid out in the Clean Energy and Climate Plans (CECPs). In addition, DOER would be able to solicit multiple types of resources in a single RFP that are critical to the clean energy transition, including but not limited to demand response and enabling grid infrastructure.
- Flexibility to Respond to New Developments DOER would be able to better plan for and respond to known reforms on the horizon - such as FERC's decision regarding ISO-NE's proposed interconnection reforms under Order 2023 - as well as adapt to unanticipated developments and other uncertainties.
- Regional Coordination DOER would be able to issue RFPs on a more regular and predictable schedule, making it easier to align with neighboring states' solicitation timelines and develop multi-state RFPs capable of achieving shared goals and economies of scale. Coordinated procurement schedules will provide clear and predictable project pipelines, encouraging longterm commitments from developers and reducing investment risk, in turn boosting both local and regional economies.
- **Streamlining Administrative Processes –** DOER would be able to reduce redundant administrative burdens while preserving critical DPU review, cost protections, and incorporation of public input.

We also generally support flexibility for DOER to serve as the contracting party in procurement selections, and we support additional funding for DOER to hire staff and procure IT capabilities and other resources to administer its proposed RSP process. While legislation is likely needed to create the authority for DOER to contract directly for environmental attributes, it would avoid 2.25% remuneration costs paid to utilities and allow procurements to proceed at a planned and regular pace rather than waiting on individual legislative authorizations. As the contracting party for environmental attribute-only contracts, the Commonwealth would be able to meet some of its climate target at a lower cost, while also providing a powerful demand signal and revenue source to stimulate the clean energy industry across New England.

While we are overall supportive of the reforms proposed by DOER, there are several additional reforms needed to ensure that future solicitations support a robust and equitable renewable energy ecosystem in the Commonwealth:

• **Strong Labor Standards** – We urge DOER to include recommendations for strong labor standards in its final procurement report. DOER should take appropriate steps, either through legislation or through internal procurement guidelines, to ensure that clean energy projects are built under project labor agreements with prevailing wages and registered apprenticeship programs, and that they are operated and maintained under labor peace agreements with relevant unions. Inclusion of these labor standards is essential to aligning Massachusetts with other neighboring states leading on clean energy. These standards will ensure a high-quality clean energy future for the Commonwealth while creating careers and apprenticeships that are safe, equitable, and family-sustaining.



- Additional Stakeholder Feedback We are encouraged by DOER's continued efforts to improve stakeholder engagement and consultation in previous solicitations. Massachusetts continues to lead by example, ensuring all voices are heard and considered during the procurement process and guaranteeing clean energy development that considers the needs of impacted environmental justice communities, including federally recognized and state-acknowledged tribes. We urge DOER to identify and propose additional ways to further improve this communication in its proposed RSP processes and future solicitations.
- Expertise in Comprehensive Electricity Planning As the Commonwealth expands renewable energy generation to meet its clean energy and climate targets, it will need targeted grid infrastructure investments to ensure the electricity that is produced is able to reach where it is needed. We encourage DOER to seek out expertise in transmission and distribution planning and advanced grid technologies as it proposes legislative reforms for funding to hire additional staff. Such expertise is needed to develop targeted solicitations for generation, transmission, and other energy solutions necessary to meet the Commonwealth's future system needs.
- Surplus Interconnection Service (SIS) to Enable Offshore Wind Future solicitations must ensure that offshore wind resources can utilize all available interconnection capacity, including surplus capacity at existing resources. Doing so is critical to enabling offshore wind to connect to the grid at the lowest possible cost by leveraging existing infrastructure. We encourage DOER to articulate the need for SIS in any legislative language describing its proposed RSP process. As currently framed, DOER proposes to continue requiring_a Capacity Capability Interconnection Standard (CCIS), while leaving the option open to evaluate whether this requirement is necessary in future solicitations. Given that DOER proposes to solicit for environmental attributes only, this standard is too stringent. Environmental attributes can be generated at any time, and even a purchase of clean peak credits does not necessitate availability at all hours of the year. Network Resource-only surplus interconnection service would allow more flexibility for interconnecting resources at a savings for ratepayers without creating any hurdles to delivery of energy and environmental attributes.
- Energy Procurements to Enable Offshore Wind Attribute-only contracts, on their own, are insufficient to support the nascent offshore wind industry. We encourage DOER to ensure that future solicitations for offshore wind are for power purchase agreements and incorporate the labor, environmental, and wildlife protections that DOER has included in solicitations since 2021.

We celebrate Massachusetts' continued regional leadership in working to meet its ambitious clean energy goals through responsibly developed offshore wind. We look forward to the continued improvement and growth of the Commonwealth's commitment to a clean energy procurement process that prioritizes regional collaboration, family-sustaining union jobs, and robust stakeholder engagement and consultation. Thank you for the opportunity to comment on this important milestone on our state's path to a 100% clean energy future.

Kelt Wilska Offshore Wind Director Environmental League of Massachusetts



Orsted

Memorandum

| То: | Massachusetts Department of Energy Resources |
|----------|---|
| From: | Ørsted |
| Date: | May 13, 2025 |
| Subject: | Massachusetts Solicitation and Procurement Effectiveness Report |

Deputy Commissioner Troy:

Ørsted submits these comments concerning the Department of Energy Resources (DOER) Massachusetts Solicitation and Procurement Effectiveness Report. These comments mirror our previous, informal comments and focus on the legislative recommendations section of the Report. We look forward to continuing to partner with the Commonwealth in its work to achieve its significant renewable energy goals.

Thank you again for conducting this stakeholder process and considering Ørsted's comments. We look forward to continuing this important dialogue as a partner to Massachusetts in ensuring the state fully utilizes offshore wind to meet its ambitious clean energy targets.

About Ørsted

A global clean energy leader, Ørsted develops, constructs, and operates offshore and land-based wind farms, solar farms, energy storage facilities, and bioenergy plants. With approximately 11 gigawatts of projects in development, construction and operation, Ørsted's portfolio of American energy projects includes: (i) the first utility-scale offshore wind farm in America, South Fork Wind: (ii) one of the country's largest battery storage facilities (located in Arizona); and (iii) many more electric generation projects that are delivering affordable and reliable energy to millions of homes across the country.

Ørsted is proud to call Boston home to our US headquarters, and the hundreds of employees and partners in the region who are working every day to make our shared vision of expanding renewable energy a reality.

Recommendations

1. Adjustments to 83C are preferable to an attribute-only model

The proposed attribute-only model would increase risk for offshore wind developers and likely limit competition in future procurements, given the essentially merchant power risk this assumes. The current bundled model provides a long-term, fixed-price energy and attribute commitment that enables the ability to finance.

If offshore wind facilities have increased merchant exposure that includes the uncertainty of short-term energy markets, prices will also likely increase for ratepayers to account for the increased risk. The bundled contract model provides stability and certainty for offshore wind developers and investors, which, in turn, enables lower prices for ratepayers.

Rather than shifting to an attribute-only model, we would recommend amending 83C to include measures safeguarding both developers and state partners from unnecessary risk, namely, removing commercial operations date (COD) constraints and extending the timeline for price indexation. These measures would help to counter the current complex political and regulatory climate and inflationary macroeconomic conditions that have significant impacts on project timelines and prices.



2. Contract for Difference (CfD)

If an OREC contract is preferred over the current 83C structure, Ørsted recommends the Commonwealth pursue a true contract for difference. This would allow developers increased financial certainty as opposed to a fixed-price REC model.

3. Commercial Operation Date (COD)

If factors outside of a developer's control threaten to delay projects, COD flexibility would help projects remain viable. Removing firm COD requirements would also protect ratepayers by increasing competition in procurements. In the most recent tri-state solicitation, Massachusetts' firm COD requirement was a significant factor in Ørsted's risk analysis. A more flexible or removed COD requirement would enable more projects to be bid into future procurements. It could also help avoid an inadvertent supply chain constraint induced by too many projects attempting to come online at the same time.

4. Indexation

We appreciate that DOER recognizes the importance of indexation for offshore wind developers. Indexation helps developers reduce financing costs and risk premiums, which in turn enables lower prices. While indexation at COD would be ideal, indexation at Final Investment Decision (FID), which is taken shortly after final permits are in hand, would also be a marked improvement to the one-year timeline allowed in the most recent solicitation. Using COD and/or FID as milestones for indexation allows developers to account for inflationary measures, supply chain considerations, and the broader macroeconomic and political climate as projects are priced, helping move development forward.

5. Term of Contract

For offshore wind, a longer contract tenure (for example, of 25 or 30 years) is more in line with project lifetime and can improve pricing for ratepayers. Contract terms of at least 25 years should be included in any consideration regarding changing the procurement model.

6. Efficient PPAs and RFPs

One feature of the Resource Solicitation Plan (RSP) structure we appreciate is the fact that the new structure includes a single contract/PPA, whereas the current process requires three PPAs, one with each of the three regulated utilities, per awarded project. Consolidating to a single contract increases efficiency. Additionally, if the Commonwealth were to pursue another multi-state solicitation, we would recommend creating identical evaluation methodologies and proposal documentation requirements to streamline the bid and evaluation process for developers and participating states.

7. Offshore wind targets and procurement schedules

By increasing the Commonwealth's offshore wind targets beyond 5,600MW procured by 2027 and providing a long-term schedule of offshore wind procurements, Massachusetts can continue to be a leader in offshore wind. With more certainty in the future market, developers can continue to evaluate and plan for investments in workforce development initiatives and supply chain growth in the region. Each RSP should have a minimum offshore wind procurement target to ensure consistent progress toward GWSA goals.

8. Standalone OSW solicitations

If the Commonwealth moves to an RSP structure for broader procurements that include multiple technologies, each technology should be individually evaluated. This is especially important for offshore wind given the technology's unique development considerations.

9. Commercially proven technologies

RSPs should only include technologies that are commercially available at the time of issuance. By including only resources that have proven to be commercially viable, the Commonwealth can have greater certainty that its investments will deliver reliable and local clean power.

Orsted

10. RSP considerations in addition to price

When contemplating evaluation criteria outside of price, RSPs should consider regional infrastructure assets that are already being utilized. For example, New England ports outside of Massachusetts have been upgraded to support offshore wind activity, such as New London State Pier and ProvPort. Those assets are crucial to the buildout of the offshore wind workforce and supply chain in New England. The proximity of New London and Providence to Massachusetts enables convenient access to offshore wind jobs in the region. A regional approach to local content requirements that utilizes existing infrastructure can streamline project timelines and avoid additional costs to developers and ratepayers. Additionally, we recommend including developer experience in the region as a consideration as those with prior success understand the unique development dynamics needed to advance a project in New England.



VIA EMAIL TO joanna.k.troy@mass.gov May 13, 2025

Ms. Joanna Troy, Deputy Commissioner Mass. Department of Energy Resources 100 Cambridge Street, 9th Floor Boston, MA 02114

Re: <u>Review of the effectiveness of solicitations required by Sections 83 to 83E</u>

Dear Ms. Troy:

Thank you for the opportunity to provide comments on the draft *Massachusetts Solicitation* and *Procurement Effectiveness Report* (the "Report"). NSTAR Electric Company d/b/a Eversource Energy ("Eversource" or the "Company") appreciates the leadership of the Department of Energy Resources ("DOER") in helping the Commonwealth meet its environmental goals and offers its comments to assist the Commonwealth in meeting its goals in the most cost-effective manner.

Eversource, and its predecessor companies, has partnered with DOER on clean energy solicitations under Sections 83 through 83E over the last 15 years, going back to 2009 when the first solicitation under Section 83 occurred. Over that time, the Company has participated in 11 solicitations which have brought 13 projects successfully online, totaling 810 MW (full nameplate capacity of the projects). These solicitations have also led to two larger projects that are expected to come online within the next 12 months and provide an additional 1890 MW of clean energy. Eversource is also currently negotiating two offshore wind contracts, which would add 1878 MW of incremental capacity. Finally, the Company is currently participating with the DOER and the other Massachusetts electric distribution companies ("EDCs") in drafting two additional requests for proposals ("RFPs") that would further expand on the Commonwealth's effort to meet its environmental goals.

While the current procurement structure in Massachusetts has led to the development of significant renewable and clean energy resources, Massachusetts, like other states, has also seen its fair share of setbacks. Developing large utility-scale projects comes with significant financial, regulatory, and political risks and it is not surprising that some projects were unable to reach commercial operation. Projects and solicitations have failed for a variety of reasons, including local opposition, developer inability to reach milestones, legal challenges, permitting issues, and major supply chain disruptions.

These disruptions have been most visible in the procurements under Section 83C to support Massachusetts' nascent offshore wind industry. Following initial success with the 800 MW Vineyard Wind project which is scheduled to come online this year, later procurements have been challenged by higher inflation and interest rates following the COVID 19 pandemic and major supply chain disruptions following Russia's invasion of Ukraine. Actions by the federal government in Washington over the last several months have further challenged the development



of that industry. Despite these setbacks, Eversource, its EDC partners, and DOER have forged ahead to issue new solicitations in an attempt to keep the Commonwealth on track to reach both its obligations under Section 83C as well as its greenhouse gas emissions reductions targets. Each RFP has sought to address the challenges of the prior solicitation round and provide offshore wind developers with flexibility to respond to volatile market conditions while maintaining protections against adverse impacts on customers.

Eversource has worked hand in hand with its Evaluation Team partners. While the role of the EDCs in these evaluations has changed over time, the Company has consistently drawn on its personnel' expertise and experience to provide advice on transmission, distribution, quantitative and qualitative analysis, contracting, legal analysis, and other pertinent issues to ensure the most cost-effective project is delivered to the Commonwealth and our customers. We have been steadfast in our support of these efforts through the dedication of significant resources, not only providing advice and analysis, but also project management services for these procurements. Additionally, the EDCs serve as the counterparty to these contracts, enabling the projects to secure financing by leveraging the EDCs' balance sheets. To date, 2700 MW of clean energy generation from Massachusetts procurements have been, at least partially, financed using Eversource's balance sheet. In essence, Eversource, National Grid, and Unitil (the Massachusetts EDCs) have made significant contributions to these procurement efforts and have dedicated significant resources to help the Commonwealth reach its climate and clean energy procurement goals while maintaining focus on customer benefits and interests.

Eversource values its strong, collaborative relationship with DOER and looks forward to continuing to work closely with the DOER in the future.

DOER's Legislative Recommendation

The recommendation from DOER set forth in the draft Report would move Massachusetts towards the NYSERDA model utilized in New York. NYSERDA was formed in 1975, and its role, responsibilities, and capabilities have grown and evolved over 50 years. Notably, NYSERDA operates in a single state RTO/ISO. This allows NYSERDA to more closely coordinate with the system operator and local electric distribution companies to ensure its activities drive toward an outcome that ensures reliable system operations and market design/structure to accommodate New York's goals for renewable generation, decarbonization, reliability and fuel diversity.

Massachusetts is not similarly situated. Unlike New York, it operates in a multi-state ISO/RTO where interstate priorities, costs sharing, regional generation and infrastructure buildout are part of a complex stakeholder process. Additionally, Massachusetts does not currently have an organization with the capabilities, staffing and experience of NYSERDA, and it will take time and resources, including likely significant funds derived from the EDCs' customers, to develop such robust expertise and organization.

Movement toward the design recommended by DOER, if passed by the General Court, must be done in a manner that insulates customers, stakeholders, and the EDCs from adverse impacts associated with growing pains, the inevitable startup mistakes, and unintended



consequences of establishing an organization with the broad set of capabilities required to implement the Commonwealth's goals. If the Commonwealth ultimately moves towards replicating the NYSERDA model, Eversource encourages the Commonwealth to be deliberate and implement comprehensive safeguards. Currently, the draft Report does not address key aspects of the proposed procurement office which inhibits Eversource's ability to provide informed comments. To that end, Eversource makes the following requests for additional information and/or clarification regarding several key aspects of the Report's recommendations:

- 1. Additional details pertaining to the new procurement office within DOER, such as:
 - a. An organization plan (structure and staffing);
 - b. A preliminary budget for such a new organization; and
 - c. Proposed EDC Tariff for recovery of costs under long term contracts.
- 2. Additional details regarding DOER's proposed governance structure for this new entity. For example, some key elements that would be helpful to understand, include the following:
 - a. Accountability roles and responsibilities, processes, and key decision-makers;
 - b. Authorization policies and guidelines; and
 - c. Approval –approval process of annual budgets.
- 3. Clarification regarding the cost-effectiveness standard:
 - a. Will the cost-effectiveness standard that has been in place for all solicitations under Sections 83-83E remain in place for solicitations under this new procurement office within DOER?
 - b. How will cost-effectiveness be defined and evaluated?
- 4. Clarification regarding the Office of Attorney General's involvement:
 - a. It appears the AGO's involvement will be limited to the development of the Resource Solicitation Plan. Could DOER confirm?
 - b. Does DOER envision any other ratepayer advocate being involved in the solicitation, evaluation, and contract negotiation to help balance the impact on costs to be borne by the EDCs' customers and the Commonwealth's efforts to achieve its Global Warming Solutions Act ("GWSA") goals? If not, how will customers' interests be sufficiently represented during the solicitations and contract negotiations?
- 5. Does DOER expect that there will be any public reporting requirements associated with the costs incurred by this new office for its operations?
- 6. Clarification regarding limits to the proposed procurement office's ability to enter contracts:
 - a. Does DOER envision any statutory limit on the number of contracts, or number of MWs under contract, that can be procured by the new office?



- b. Will there be a feedback mechanism that allows the Legislature to evaluate the impact of these solicitations on the Commonwealth's goals and on customers' bills, including within the broader context of the affordability of living and conducting business in Massachusetts?
- 7. Clarification regarding risk sharing between developers and customers:
 - a. Could DOER elaborate on what it sees as the appropriate level of development risk sharing between project developers and customers?
 - b. How will risk sharing be evaluated during each solicitation?
 - c. Will risk sharing mechanisms be standardized (similar for all solicitations) or done on an RFP-by-RFP basis?
 - d. Will information on risk allocation be shared with customers and stakeholders? If so, what information will be provided?
- 8. Clarification regarding how bill impacts will be evaluated:
 - a. Could DOER provide information about how the proposed procurement office would measure the impact on customer bills during the evaluation process?
 - b. What bill increases does DOER anticipate would be considered acceptable?
- 9. The draft Report suggests that the new methodology would connect solicitations more directly to GWSA requirements instead of the Renewable Portfolio Standard ("RPS"). Does DOER plan to conduct a review of the current Massachusetts RPS programs and requirements to see if there are opportunities to streamline and reduce RPS compliance costs while enhancing GWSA compliance? Would DOER consider a similar analysis including Regional Greenhouse Gas Initiative?
- 10. Clarification regarding EDC tariffs to help the Company understand how cash flow and risks might be different under DOER's proposal as compared to the status quo:
 - a. Could DOER provide more information about the scope of the duties and responsibilities of the EDCs in this process?
 - b. Will DOER retain 100 percent of the long-term commitment, contract management and liability associated with these contracts or will some of that remain with the EDCs?
 - c. How will payments be made by the DOER to the developer under this arrangement? What documentation regarding these costs will be provided publicly on a quarterly and annual basis?
 - d. How will the net costs of these contracts be collected from the EDCs' customers?
 - e. Does the DOER envision that an EDC tariff will include similar cost recovery protections for EDCs as are currently included in their respective long-term renewable energy contract tariffs?

In addition to the questions above, Eversource reiterates that it does not support procuring energy services that include transmission or energy storage through long-term contracts. To the extent transmission is needed to enhance deliverability and is determined to be more cost-effective than a transmission upgrade and can be classified as a transmission asset under ISO-NE Storage



as Transmission-only Tariff ("SATOA") tariff, Eversource can and will appropriately plan, build, and operate it. Current Transmission System Planning processes have been adequately tested and demonstrated to be effective, and Eversource is concerned that interference with such processes could be risky and ought to be avoided whenever possible.

Eversource is also concerned that single-technology state-directed procurements of energy services, like transmission, could burden the EDCs' customers. Traditional processes allow for the regionalization of costs across ISO-NE, but a single state procurement would allocate all the costs only to that state's electricity customers. Additionally, during the current planning process, it is routine for alternatives to a specific project to be evaluated and compared, to identify the best and lowest cost solution. That step may be lost under state-run mandated procurements for energy services under long-term contracts. If battery storage is deemed to be a cheaper alternative to transmission investments – and it is within the confines of ISO-NE tariff – Eversource would plan, build, and operate that battery storage as a regionalized Transmission asset.

Eversource appreciates DOER's careful examination of the effectiveness of the Section 83 to 83E procurements and its consideration of the questions listed above. We welcome the opportunity to provide additional feedback based on DOER's responses to these questions. If you have any questions, please do not hesitate to reach out.

Thank you,

Monica Keeby

Monica Kachru Director, Wholesale Power Contracting monica.kachru@eversource.com



Serving Acushnet Aquinnah Attleboro Barnstable Berkley Bourne Brewster Chatham Chilmark Dartmouth Dennis Dighton Eastham Edgartown Fairhaven Fall River Falmouth Freetown Gosnold Harwich Lakeville Mansfield Middleboro Marion Mashpee Mattapoisett Nantucket New Bedford North Attleboro Norton **Oak Bluffs** Orleans Provincetown Raynham Rehoboth Rochester Sandwich Seekonk Somerset Swansea Taunton Tisbury Truro Wareham Wellfleet Westport West Tisbury Yarmouth

Southeastern Massachusetts Building Trades Council AFL-CIO

554 Pleasant Street New Bodford, MA 02740

5/12/25

Dear Deputy Commissioner Troy,

Regarding the DOER's release of the draft Procurement and Solicitation Effectiveness Report, please accept the following formal public comment on behalf of the Southeastern Massachusetts Building Trades Council.

As the Commonwealth continues to invest in clean energy, future procurements of clean energy resources must include strong labor standards. Massachusetts prides itself on promoting sustainability and equity, and this is the time to put these values into action.

DOER's report should recommend strong labor and community standards on all clean energy procurements. These recommendations should promote building clean energy projects under project labor agreements with prevailing wages and registered apprenticeship programs, and operating and maintaining projects with labor peace agreements with relevant unions.

These recommendations are essential to aligning the Commonwealth with other states leading in clean energy while maintaining strong labor standards. They will help ensure that future clean energy projects are built with the highest quality and create safe, equitable, family-sustaining jobs.

We appreciate the time and opportunity to share public comments on the report and thank you in advance for your consideration. We are looking forward to future opportunities to engage in conversation before the final report is released in June, 2025.

Best

James Pimental President Southeastern Massachusetts Building Trades Council 508-677-7358 <u>UnionBrickie@aol.com</u>



May 13, 2025

Joanna Troy Deputy Commissioner, Department of Energy Resources 100 Cambridge St. Boston, MA 02114

Dear Ms. Troy,

We appreciate the opportunity to submit comments on the Department of Energy Resources (DOER) draft version of its Solicitation and Procurement Effectiveness Report.

As you know, the Massachusetts Municipal Wholesale Electric Company (MMWEC), is the Commonwealth's designated joint action agency for municipal light plants (MLPs). MMWEC provides services to the MLPs related to power supply, generation, decarbonization and electrification, among other areas. MMWEC helps the MLPs ensure they provide superior service at a low cost, all while complying with the Municipal Light Plant Greenhouse Gas Emissions Standard (GGES). This standard compels MLPs to have power provided by carbon-free generation totaling 50% of their electric sales by 2030, 75% of their electric sales by 2040 and net zero by 2050. MMWEC's enabling legislation, Chapter 775 of the Acts of 1975, includes unique tax-exempt financing authority to finance energy projects on behalf of the MLPs at a lower cost. Since 1975, MMWEC has issued more than \$7 billion in mostly taxexempt bonds to finance these projects.

While the current procurement process excludes municipal utilities, MMWEC has been proactive in recent years in pursuing opportunities, outside of the procurement process, to gain access to offshore wind. Last fall, Avangrid's New England Wind I project was included in the state's solicitation of offshore wind. MMWEC reached an agreement with Avangrid to include a 50 megawatt carve-out/option for municipal utilities in this project. The success of this arrangement demonstrates the need for a defined role for MMWEC in future solicitations.

MMWEC generally supports the state's proposal to consolidate the execution of procuring environmental entitlements and potential additional energy services to the DOER. MMWEC has long advocated for a seat at the table to help lower costs for ratepayers. This proposal could enable public power entities to gain entry into the solicitation process and reduce costs to consumers.

MMWEC would encourage DOER to codify a specific role for MMWEC, as the state's designated joint action agency for municipal utilities and a political subdivision of the Commonwealth under Chapter 775 of the Acts of 1975, in the formulation of the Resource Solicitation Plan (RSP). This allows public power to have a stake in the process, maintaining local control and local decision-making while enabling compliance with the MLP GGES. As MLPs are obligated to comply with the MLP GGES, the current exclusion of MMWEC denies MMWEC the ability to fulfill its obligation under Chapter 775 in the proposed solicitation process, and denies MMWEC the ability to procure environmental entitlements through the current, most efficient mechanism to do so. We suggest adding to the end of section (i) on

page 79 of the report: "These sub limits would also the include the needs of public power aggregated by MMWEC for compliance with the Municipal Greenhouse Gas Emission Standard."

MMWEC and the MLPs are aligned with the Commonwealth's decarbonization goals, and are actively working to ensure the MLPs meet and exceed the MLP GGES targets. We believe with these suggested changes, this proposed procurement process would open a door to new opportunities for public power and level the playing field for all ratepayers in the state.

Please reach out to us if we can answer any questions.

Sincerely,

Kathrum M. Roy

Kathryn M. Roy Director of Communications & External Affairs MMWEC



May 20, 2025

Commissioner Elizabeth Mahony Massachusetts Department of Energy Resources 100 Cambridge St., 9th Floor Boston, MA 02114

Re: Comments on DOER's Solicitation and Procurement Effectiveness report draft

Dear Commissioner Mahony,

On behalf of JERA Americas, owner and operator of the Canal Generating Plant in Sandwich, I am writing to express my concerns with the Department of Energy Resources' *Massachusetts Solicitation and Procurement Effectiveness Report* draft report released in April 2025. While I appreciate DOER's efforts to evaluate and improve the Commonwealth's clean energy solicitation and procurement processes, I believe the draft report, as well as the stakeholder engagement process that was led to inform it, falls short in several important areas that merit further attention.

Stakeholder Outreach and Engagement

As proponents that this study be required by the Commonwealth's 2024 *An Act promoting a clean energy grid, advancing equity, and protecting ratepayers,* we were disappointed not to be included in the stakeholder outreach. The report references input from stakeholders but provides limited transparency into the breadth and substance of that engagement. In a process as consequential as this, meaningful and inclusive consultation is essential. There appears to be little evidence that perspectives from developers, grid experts, generators, and other key stakeholders with experience implementing innovative interconnection strategies were sufficiently considered in shaping the report's findings and conclusions.

Misunderstanding and Incomplete Analysis on Surplus Interconnection Service (SIS)

DOER's discussion of the merits of SIS rightfully focuses on the requirement that clean energy procurements help mitigate winter price spikes. However, DOER's conclusion that SIS might reduce deliverability of the procured clean energy – and therefore reduce that clean energy's ability to mitigate winter price spikes – is based on two misunderstandings and an incomplete analysis of the benefits of SIS. These issues led DOER to wrongly conclude that a Capacity Capability Interconnection Standard (CCIS) is required to meet statutory requirements. In fact, an SIS interconnection partnering with a minimally utilized CCIS resource will, in many circumstances, better realize legislative goals.

First, DOER presumes that "as an NR customer, offshore wind would not necessarily be able to deliver energy during stressed system conditions as the existing customer would retain priority." In fact, ISO-NE is agnostic about which resource delivers energy at an SIS interconnection; those decisions are based on commercial arrangements. The low-cost resource, namely offshore wind, would nearly always be dispatched before a thermal resource like Canal. This would provide a lower cost resource during stressed system conditions.

Second, while the SIS that low-capacity factor thermal resources, like our Canal Generating Station, can provide is technically NRIS, it is fundamentally different from ordinary NRIS both in terms of its reliability and predictability. Although the actual SIS agreement would be for Network Resource Capability (and therefore NRIS) under ISO-NE rules, the practical reality is that an offshore wind facility utilizing SIS at Canal would employ the existing CCIS interconnection facilities pursuant to an existing Capacity Network Resource Interconnection Service interconnection agreement. There is nothing more reliable than existing interconnection facilities, with existing units at Canal running only when called upon *and* the wind is not blowing.



Finally, because SIS brings new projects to the grid faster and cheaper than the traditional interconnection process, it lowers overall system costs and brings savings to ratepayers on a much faster timeline. Based on Lawrence Berkeley National Laboratory analysis, we estimate that a 1200 MW offshore wind project could save hundreds of millions of dollars in project costs if it were to utilize SIS instead of a traditional interconnection. Under all scenarios, winter price spikes are inevitable; SIS lowers the baseline of those spikes and displaces far more expensive fossil generators during those spikes.

Missed Opportunity to Update Evaluation Criteria

The report does not propose updates to the way projects are evaluated in procurements (e.g., scoring criteria, eligibility thresholds, or contractual terms) to accommodate projects using SIS. This absence maintains structural biases that favor the construction of additional transmission for these traditionally interconnected projects, even knowing that many will face multi-year upgrade timelines and higher costs, in contrast to the rapid deployment potential of SIS-based projects.

Lack of Clear Recommendations Regarding SIS

The report ends with no concrete recommendation for how future clean energy procurements should handle interconnection pathways, including whether SIS should be eligible. This is problematic because the status quo effectively excludes SIS. Without an explicit recommendation – or at least a discussion of SIS as a valid and competitive alternative – the procurement framework remains unnecessarily restrictive. At a time when urgency, innovation, and cost-effectiveness are paramount, the absence of forward-looking guidance is a missed opportunity. DOER must take a more proactive role in shaping procurement strategies that are adaptive, equitable, and aligned with Massachusetts' ambitious policy goals.

I strongly encourage DOER to revise its draft report with a more robust and insightful evaluation of Surplus Interconnection Service, greater transparency around stakeholder engagement, and clear recommendations for improving future solicitations. I would welcome the opportunity to discuss these issues further and to support DOER in developing a more effective and forward-thinking procurement framework.

Thank you for your consideration.

Sincerely,

Randolph Bell Vice President of Government and Regulatory Affairs JERA Americas

CC: Senator Michael Barrett, Representative Jeffrey Roy



May 13, 2025

By email: joanna.k.troy@mass.gov

Joanna K. Troy Deputy Commissioner Massachusetts Department of Energy Resources 100 Cambridge Street, 9th Floor Boston, MA 02114

Subject: Massachusetts Solicitation and Procurement Effectiveness Report

Deputy Commissioner Troy:

RENEW Northeast, Inc. ("RENEW")¹ submits these comments concerning the Department of Energy Resources; ("Department" or "DOER") Massachusetts Solicitation and Procurement Effectiveness Report ("Report") that was prepared to assess the efficiency of the Commonwealth's existing solicitations required by sections 83 to 83E, inclusive, of chapter 169 of the acts of 2008 ("Green Communities Act").² We appreciate this second opportunity to provide feedback on the Department's proposal for a new procurement framework that will transform how the Commonwealth conducts clean energy procurements ("Framework"). RENEW's March 17, 2025, comments remain valid for the Department to understand RENEW's perspective on the Framework. Today's comments largely highlight key provisions from RENEW's prior comments that are relevant to major topics in the legislative recommendations section of the Report.

I. Comments on Legislative Recommendations

A. Renewable Energy Procurement Products

The Report states that DOER will "consider" but not commit to "pricing structures, such as indexing to the energy market, to reduce costs for ratepayers and reduce cost risks."³ If the offtake arrangement is an attribute-only one with the energy revenues being fully merchant, Massachusetts' consumer costs could increase significantly. The Renewable Energy Certificates ("RECs") index model is a comparable alternative to the bundled contract model.⁴ By including

¹ The comments expressed herein represent the views of RENEW and not necessarily those of any particular member of RENEW. RENEW Northeast (www.renewne.org) unites environmental advocates with developers and operators of the region's largest clean energy projects to coordinate their ideas and resources with the goal of increasing environmentally sustainable power generation in New England from the region's abundant renewable energy resources.

² An Act Promoting a Clean Energy Grid, Advancing Equity and Protecting Ratepayers, Mass. Acts (2024), ch. 239, § 116.

³ Report at 79.

⁴ Starting with the Green Communities Act, Massachusetts' model for clean energy procurements has consisted of the electric distribution companies ("EDCs") being counterparties to generators under long-term contracts consisting of energy and RECs both at a fixed price.

energy market participation, it also provides the generator with a strong hedging benefit against uncertain revenue streams much like a contract-for-differences. This approach, which is employed in New York, could enable financing of projects with lower risk to developers and therefore lower cost to consumers compared to a fixed REC model. Unlike a fixed REC, an index REC is based on the developer's estimated revenue requirement for the project as represented by a strike price. Once operational, a project sells the energy and RECs, and any other products generated by the project, into the market. The developer is paid a variable REC price that is calculated by subtracting, from the strike price, index prices for energy and capacity.

B. Energy Storage Procurement Products

The form of contracting for future RFPs needs to consider specific energy storage technologies and the capabilities desired. The variety of offtake revenue contracts for energy storage projects has expanded rapidly. For large or transmission-level resources, arrangements have taken the form of energy storage tolling agreements, capacity sales agreements, hybrid agreements, and indexed agreements. An energy services contract could be tailored to procure storage performance characteristics, including longer durations, not captured by Massachusetts Clean Peak Energy Credit ("CPEC") procurements. Individual RENEW members may comment on which model they prefer. Because energy storage facilities with different durations provide unique benefits to the grid and ratepayers, DOER should consider, to the fullest extent possible, flexibility in the preferred method of contract to maximize grid-enhancing and economic development benefits for the state.

C. Procurement Factors: Quantity, Timing, and Technology

The Report states that its proposed Resource Solicitation Plan ("RSP") will establish the Commonwealth's procurement schedule to reflect clean energy needs based on the Global Warming Solutions Act ("GWSA") required five-year updates to the Clean Energy and Climate Plan ("CECP").⁵ RENEW strongly supports this approach. Achieving Massachusetts' statutory climate goals requires continuing deployment of clean energy resources. According to an analysis prepared for RENEW, the timing and scope of the procurements needed to keep Massachusetts on a trajectory to meet greenhouse gas reduction requirements over the next decade will require a predictable schedule of procurements.⁶ As the Report observes, that schedule will also "ensure long-term alignment with supply chain and industry development."⁷

The Report proposes to issue an RSP every three years that will establish a schedule of clean energy procurements and the needed amount of nameplate capacity from clean energy resources to meet the Commonwealth's greenhouse gas emissions reduction requirements.⁸ The proposed three-year planning period for the RSP, however, is too short to provide a signal for long-term investment to meet those goals. DOER should employ the three-year update solely to announce fine-tuning of the long-term procurement schedule.

⁵ Report at 81.

⁶ Power Advisory, Massachusetts Clean Energy Procurement Needs (October 21, 2024),

https://drive.google.com/file/d/1HyHDOfSJhZaWIYNftdioTxZ7HP960lpQ/view

⁷ Report at 82.

⁸ Id. at 79.

To meet even the nearer term stated 2030 and 2035 climate targets, procurements must be conducted sufficiently in advance to account for the long lead-times to bring new clean energy resources into operation. They must also be timed to enable participation by large projects that require new transmission to access remote onshore wind and hydroelectric resources. Large transmission projects in New England can take close to a decade to complete, and procurement of Clean Energy Generation needed by 2035 must be conducted by the end of 2025 to keep the Commonwealth on track to meet binding greenhouse gas reduction targets. For this reason, a longer planning period in the RSP is necessary.

According to the Report, the RSP will include "a description of the clean energy generation and energy services needs sufficient to maximize the commonwealth's ability to achieve compliance with GWSA limits and sublimits, including but limited to resource type, nameplate capacity amounts and commercial operation dates for new resources."⁹ While the Report states it will reflect all resource types, it only proposes a specific requirement for offshore wind (ten gigawatts not later than December 31, 2040)."¹⁰ RENEW supports establishing this target for offshore wind and adding minimum capacity figures for all clean energy resources-energy storage, transmission-level solar and wind resources including sub-targets for fixed-bottom offshore wind, floating offshore wind, and land-based wind- that will keep it on course, using interim targets, to attain needed quantities of clean energy through 2050, or at a minimum, 2040. This long-term approach will give developers the confidence to make the investments needed to realize the full economic development potential of their resources. RENEW also recommends DOER evaluate a requirement that maintains technology-separate procurements due to clean energy technologies differing by use, scale, and the time to complete development. It might be impractical to combine technologies in one RFP.

The RSP should also identify the transmission upgrades DOER determines is needed to enable interconnection of those resources. DOER should reflect on certain drivers that could impact future resource development and load and cause the future scenarios to differ from that used in the ISO New England ("ISO-NE") 2050 Transmission Study -- including changes in federal and state policies, corporate energy procurements, technology trends, fuel costs, and future locations of large loads. It should also consider capacity market savings as economic studies in ISO-NE have only previously modeled and reported on metrics related to congestion in the energy market, ignoring the impact of transmission system congestion on the cost to consumers of the capacity market.

Any changes to the procurement model will likely require several years to complete legislative and regulatory processes. For this reason, the Framework should: (1) incorporate participation of existing and repowered REC and CPEC-eligible projects. The inclusion of these resources would also provide needed flexibility through resource diversity and optionality to adapt portfolios to meet clean energy requirements. It would be complementary to new deployment and a backstop to the potential for future project delays as load grows significantly

⁹ Id.

 $^{^{10}}$ Id.

to meet economy wide greenhouse gas emission reduction requirements; and (2) include, as a transition, compliance with the existing requirements in Sections 83 to 83E, inclusive, involving procurement of specific megawatts of clean energy resources according to their respective schedules.

D. Financing

RENEW agrees with the report that, "Clean Energy Procurements have a long history of facilitating the financing of new projects through contracts with the creditworthy electric distribution companies ("EDCs"). To maintain the same goal that long-term contracts can be used for financing, DOER will need to consult with financial institutions and determine next steps."¹¹ RENEW stands ready to work with DOER to help it assess the importance of creditworthiness factors in the financing of clean energy development.

Under the Framework, the contract with DOER is not backed by the full faith and credit of the Commonwealth. Developers will need to assume the risk from exposure to a noncreditworthy counterparty that they will price into bids. The additional risk premium may offset savings obtained by switching to this new model. DOER proposes to mitigate this risk by having funds collected through EDC tariff, which would be approved by the Department of Public Utilities ("DPU") and not be subject to legislative or DOER regulatory changes, that are deposited into a "central procurement fund" for meeting the costs of long-term contracts. As DOER's proposal includes the possibility of alternative funding sources in addition to ratepayer funding,¹² the tariff must also serve as a backstop to those other funding sources.¹³ It must be designed to protect against non-ratepayer funding falling short of being able to cover the entire cost of the contracts. To give investors confidence, it must have robust standards to ensure DOER always has adequate funds.

E. Contract Risks

1. Change in Law

RENEW strongly supports the Report's endorsement of addressing "change in law" risks in long-term contracts.¹⁴ Developers must continue to have equivalent constitutional protection, which they now receive under contracts with the EDCs, that precludes the risk of legislative or regulatory changes to contract terms. The current Massachusetts model offers significant benefits for securing financing for new projects unlike models in some states. RFPs should also address potential regulatory risks such as elimination of, or changes to, the federal Investment Tax Credit ("ITC") as well as the threat of federal tariffs on imports. Contracts should contain a clause that

¹¹ Id. at 85.

¹² 2024 Senate Bill No. 2838 § 27(i) lists the following non-ratepayer revenue sources: "(ii) revenue from appropriations or other money authorized by the general court and specifically designated to be credited to the fund; (iii) interest earned on such funds or revenues; (iv) bid fees collected by the department from participants in clean energy solicitations conducted pursuant to this section; (v) other revenue from public and private sources, including gifts, grants and donations; and (vi) any funds provided from other sources."

 ¹³ See e.g., New York Public Service Commission Case 15-E-0302, In the Matter of the Implementation of a Large-Scale Renewable Program, Order Approving Financial Backstop Collection Mechanism (June 23, 2023).
¹⁴ Report at 83.

eliminates or reduces the termination penalty if there are substantial changes to federal tax incentives, domestic content requirements, or import tariffs and also share the risks of changes in law that otherwise would materially impair a project's ability to secure financing and proceed with development.

2. Inflation

The Report states that DOER will "consider" but not definitely include inflation indexing in contracts.¹⁵ DOER contracts should account for unforeseen inflationary circumstances such as through an indexing adjustment to ensure the viability of awarded contracts. RENEW and its members have submitted various proposals to DOER for indexing adjustments such as the one that was adopted in recent Massachusetts offshore wind RFPs. RENEW encourages flexibility and room for improvement in indexation mechanisms applied in future procurements and encourages DOER to consult with industry members on how to best design such mechanisms. Such mechanisms should remain bidirectional in order to provide potential benefit to ratepayers.

F. Shifting Costs to Delivery

"The tariff will assign costs to all electric distribution customers with costs appearing on the delivery side of the bill. By retiring attributes on behalf of EDC customers, suppliers will have less RPS compliance costs and supply costs should decrease. While the customer will have both the cost and the savings of the long-term contracts in their total bill, it will shift any necessary cost recovery from supply to delivery."¹⁶

DOER should assess the shortcomings with today's electric utility bill for accurately portraying information to consumers about generation costs. Today's utility bill does not provide information on the benefits of clean energy contracts when they produce savings according to the reconciliation of the contract price against the market price. Rather, that credit is buried in the delivery charge. The utility bill also does not explain why clean energy resources need to be procured outside of the ISO-NE construct using the state's contracting and RPS programs. ISO-NE markets, particularly its Forward Capacity Market, have never worked to induce renewable energy resources to be developed. The current design never contemplated the arrival of low-cost renewable resources on a massive scale. It has always promoted a resource mix of low capital cost, high operating cost resources like wind and solar. It has favored traditional generators even when they are not the most economically efficient over the long run. As resources with no marginal costs increase on the ISO-NE system, their contribution to lowering the supply charge will not be reflected on customer bills while contract costs will still be reflected in the delivery charge.

¹⁵ *Id.* at 85.

¹⁶ Id.

II. **Comments on Surplus Interconnection Service**

In the Report's summary of public comments, it addresses at length one commenter's opinion on the ability of surplus interconnection service to lower transmission costs for offshore wind. Ahead of any consideration of surplus interconnection issues for an RFP, RENEW would appreciate the opportunity to provide DOER with the latest information on surplus interconnection as it concerns the Capacity Credibility Interconnection Standard ("CCIS requirement") and the Order 2023 process for interconnection. There are several issues in the Report that require clarification.

III. Conclusion

Thank you for considering RENEW's recommendations for the Framework.

Sincerely,

Tranus & Pullano

Francis Pullaro President



Boston | New Bedford | New York| Eureka

<u>Vineyard Offshore Response to</u> <u>Massachusetts Department of Energy Resources (MA DOER)</u> <u>Solicitation and Procurement Effectiveness Report</u> <u>May 13, 2025</u>

Introduction

Vineyard Offshore appreciates the opportunity to submit the comments below regarding the Department of Energy Resources (DOER) draft Solicitation and Procurement Effectiveness Report (the "Report"). Vineyard Offshore applauds the continued leadership of the Commonwealth and its commitment to improve implementation of the Global Warming Solutions Act while providing reliable and affordable electricity for Massachusetts consumers. The comments below generally support DOER's recommendation for a New Procurement Framework.

Vineyard Offshore leads the development of several offshore wind (OSW) projects on both the East and West Coasts of the United States, with the potential to produce over 6 gigawatts of clean, renewable energy. Our portfolio of projects includes Vineyard Wind 1 (50/50 joint venture with Avangrid), the nation's first commercial-scale offshore wind farm, which is currently under construction. In addition, Vineyard Offshore is leading the development of the Vineyard Wind 2 project from Lease Area OCS-A 0522 off the coast of New England and the Excelsior Wind project from Lease Area OCS-A 0544 located in the New York Bight. Vineyard Offshore is also developing floating offshore wind off the coast of Northern California through Lease Area OCS-P 0562.

<u>Overview</u>

The Commonwealth of Massachusetts, led by the Healey Administration, continues to offer strong support for offshore wind as a critical resource to provide reliable, clean energy to New England and meet growing energy demand. Now is the time for Massachusetts to consider transformative changes that will result in a better, more durable industry that provides the power New England needs along with important economic investment. We are pleased to see the issuance of this Report and the legislative recommendations contained therein, taking the next steps in the Commonwealth's approach to clean energy procurements.

As an initial matter, Vineyard Offshore strongly recommends that Massachusetts consider material modifications to its previously issued contracts to address significant federal permitting, tariff, and tax credit policy risks. While this topic was not explicitly addressed in



Boston | New Bedford | New York| Eureka

the report, it is of utmost priority that Massachusetts begins a process to consider material changes to the types of terms and risk allocation mechanisms that have been used previously in order to adapt to changes in circumstances. A full discussion of the substance of these changes is beyond the requested scope of comments, but Vineyard Offshore generally recommends that contract security requirements and termination provisions be substantially modified from recent form contracts issued. These changes are critical in order to maintain competitive interest from offshore wind developers. In addition, we have provided further recommendation to move away from pre-published contracts to term sheets that would allow for better direct negotiation of terms following project awards (see comments further herein).

Vineyard Offshore recommends that the Healey Administration develop a more coordinated approach that brings transmission, energy procurement planning, supply chain procurement, and port development together. The stronger the coordination is among these activities and the agencies that lead them, the better the outcome for the Commonwealth and its residents in achieving successful and more cost-effective procurements. Vineyard Offshore encourages the Executive Office of Energy and Environmental Affairs (EEA) and DOER to consider increased and more formal cooperation within the Commonwealth agencies such as the Executive Office of Economic Development, the Massachusetts Clean Energy Center (MassCEC), and the Massachusetts Port Authority (Massport). Regionally, coordination on transmission development is an important catalyst to offshore wind deployment and we are encouraged to see increased cooperation already underway (see announcement of the Northeast States Collaborative on Interregional Transmission of April 28). Massachusetts and other states should continue taking formal steps to de-risk transmission and interconnection for future offshore wind project development.

As discussed in more detail below, Vineyard Offshore also strongly supports the Report's recommendation that DOER be granted the authority to assume contracting responsibility and the necessary flexibility and latitude to respond to changing market risk conditions. An improved procurement authority and solicitation process will enable more expeditious and affordable realization of offshore wind's transformative energy, economic, and environmental benefits to the Commonwealth.

Boston | New Bedford | New York| Eureka

OFFSHORE

Comments on the Report

Vineyard Offshore's experience in both New York and New England demonstrates that agency authority over procurement processes is helpful in that it allows for nimble and flexible solicitation design. As envisioned in the Report's recommendations, DOER requires the authority to act as the procuring entity for offshore wind in future solicitations. Vineyard Offshore encourages DOER to review the study by Analysis Group see: <u>Offshore Wind Procurement: The Driver of Economy-Wide Decarbonization</u> for discussion of measures DOER can take as a procurement entity to reduce the cost of future offshore wind projects.

Vineyard Offshore also offers the following comments on the Report, with a focus on the legislative recommendations contained therein.

- Vineyard Offshore strongly supports DOER becoming the procurement authority for offshore wind with the ability to secure approval for multi-year procurement plans. Removing EDCs as counterparties to the offshore wind contracts will grant the process with greater flexibility while simultaneously lowering ratepayer impact by eliminating costs association with utility remuneration. By reducing the utilities' involvement in evaluation and contracting, issues such as the inflexible pre-published contracts (discussed further below) for negotiation are removed. Vineyard Offshore also supports the Report's recommendation that legislation provide DOER with the authority to expand its staffing and resources to create a new division similar to NYSERDA's large-scale renewable division and develop a Central Procurement Fund.¹
- Any legislation should provide DOER the flexibility to structure their contracts and terms while adjusting as needed given the existing environment. We reiterate our prior recommendations on how DOER can best approach contracting, including:
 - Moving away from pre-published contracts and toward high-level term sheets that provide the necessary contractual information to inform bid price level but otherwise provide flexibility to negotiate durable contracts post-award that are aligned with current market risks. In MA 83C-IV, a major obstacle to expeditiously addressing sudden and severe political risk to the projects was the pre-published PPA contract. Although developers were granted the opportunity to

¹ Report at 84

OFFSHORE

Boston | New Bedford | New York| Eureka

redline the agreement, EDCs were unable or unwilling to accept substantive changes either proposed in those redlines or suggestions post-award.

- Allowing for no cost contract termination up to Financial Close should a project become unfinanceable. Financial Close remains the most significant maturation milestone toward an offshore wind project being realized. Significant financial commitments prior to this milestone are difficult for investors to authorize, as supply chain, interconnection, and permitting risks are not resolved until this stage. Offshore wind developers are willing and able to assume risk prior to Financial Close that is associated with their own ability to deliver on commitments or qualify for sizeable investment tax credits. However, import tariffs, partial or full repeal of the Inflation Reduction Act (IRA), or federal permitting obstruction or delay make posting of irrevocable multi-million-dollar securities very onerous. In the current political environment, reducing security requirements and delaying posting dates will attract greater participation from developers in future solicitations.
- Affording developers incremental day-for-day schedule relief for third-party project-on-project risks such as transmission upgrade or port development/availability delays. Vineyard Offshore recommends that, in the case third-party assets needed for commercial operation are not available on agreed upon milestone dates, these delays do not detract from developers' preexisting allowable critical milestone extension provisions.
- Introducing a revised approach on indexation adjustment and escalation that would reduce ratepayer impact by removing the need for developers to price in risk premiums for inflationary and commodity price risks. Most economic risks for offshore wind projects stem from the temporal gap between revenue and cost certainty. In general, expectations are that this gap will widen due to uncertain and delayed federal permitting activity. The indexation mechanism offered in the MA 83C-IV solicitation was a strong starting point to address inflationary and commodity pricing risk. However, to further improve the hedge that inflation adjustment mechanisms provide, Vineyard Offshore recommends that DOER allow bid price to escalate by the Consumer Price Index (CPI) from bid date to commercial operation. This approach would offer a broader guard against cost increases, allow for bid prices to be easier to contextualize, and no longer

OFFSHORE

Boston | New Bedford | New York| Eureka

rely on: 1) imperfect selection of commodity indices; 2) imperfect weighting of commodities; and 3) incomplete hedge against the timeline of potential cost changes (i.e., limiting indexation to occur at or prior to FC).

- We recommend these changes to contracts and their terms for all future solicitations, including those planned sooner than implementation of the legislation (e.g., MA 83C-V).
- If adopting a REC-only market, ensure DOER has the authority to implement the best design to reduce costs. The Report notes that DOER could use indexing or other contract terms to facilitate and lower the costs of project financing.² Vineyard Offshore recommends the final report be explicit in its recommendations that DOER preserve procurement flexibility in legislation (i.e., a contract for energy and RECs as is currently done in Massachusetts or a REC-only construct, and if so, what form of REC considering Indexed and Market REC options). The most attractive REC contract mechanism currently offered in the US offshore wind market is the Market OREC adopted in New Jersey given its perfect Contract for Difference (CfD) mechanism. The most important consideration in determining which attributes should be procured as part of offshore wind solicitations should be which contract structure will result in lower costs for ratepayers. This will be achieved by eliminating market uncertainty that would need to be priced into the bid price for any un-hedged attributes (energy or capacity). The current procurement regime does this effectively by allowing developers to bid a long-term fixed price for energy and RECs. Alternatively, a fixed price REC-only structure (unless modified to an Indexed or Market REC) would require substantial assumption of risk for un-hedged energy and capacity, which would, in turn, significantly increase bid prices versus the current model.
- Consider carefully the design and efficacy of multi-state procurements. Recent experience indicates that the multi-state procurement posed certain challenges to an efficient procurement process (including mismatched timeliness for decision making). The majority of remaining uncontracted offshore wind projects in New England will require HVDC transmission technology. These projects are sized to optimally utilize fixed cost infrastructure resulting in optimal capacities between 1,200-1,400MW. For this reason, larger scale procurements do not necessarily result in economies of scale (which

² Report at 82



Boston | New Bedford | New York| Eureka

for developers with multiple projects, are often already factored in). The major benefit of multi-state procurements is allowing states with smaller targets or electrical load to purchase a portion of a project better aligned with their needs. A major challenge requiring resolution for potential future multi-state procurements would be harmonization of contract and RFP terms, including region-wide adoption of the same procurement structure (i.e., contracting for REC-only or Energy and RECs).

• Leverage newly authorized 30-year contract tenor as a lever to lower pricing.³ Vineyard Offshore appreciates the Report stating that contract terms can vary and be up to 30 years in length.⁴ Longer contract tenors achieve lower prices by extending the period in which an offshore wind project is not exposed to market volatility and providing greater financing opportunities for investors. This was evidenced in the proposal pricing submitted in the 2024 multi-state procurement as Rhode Island sought 20- and 30-year contract tenors. Any Legislation should provide the flexibility for DOER to enter into contracts with these longer tenors.

Consider state-led reservation of critical supply chain infrastructure. The Report should recommend that future legislation provides the ability for state-led supply chain efforts to help navigate uncertain supply chain conditions and derisk certain scheduling and cost issues. Global supply chain constraints and high demand for technology and vessels needed to deploy transmission and offshore wind have resulted in long lead times, particularly for HVDC and installation vessels. State-led reservations of HVDC systems or vessels could serve to preserve timelines toward COD by providing requisite commitment to the suppliers of these critical items, allowing for allocation of these slots to awarded projects at the time of contract award, and ensuring that project developers are able to access necessary equipment and vessels to deliver those projects. This would improve the schedule and cost of projects at time of bid by removing the risk and exposure that developers take on without award certainty. Developers would, as a matter of necessity, be involved in procurement to ensure the technical envelope meets projects' needs, that bid pricing can reflect the eventual cost of equipment, and that shared risk ownership. However, we recommend that any offtake RFPs avoid supply chain commitments for which pricing has not been agreed so as to ensure developers are not captive to a supplier without cost certainty.

³ Section 96 of Chapter 239 of the Acts of 2024 (this section amends the definition of long-term contract in Section 83 of Chapter 160 of the Acts of 2008)

⁴ Report at 79



Boston | New Bedford | New York| Eureka

- DOER should cooperate more closely with MassCEC to ensure efficient and continuous use of Commonwealth Port Assets. To date, offshore wind developers have sought out long term leases at port facilities in New Bedford, New London, and Salem to support future offshore wind projects. These lease agreements assume a construction window that is subject to change based on development pace and offtake award date for the projects. Two facilities in particular, the New Bedford Marine Commerce Terminal and the future Salem Marine Terminal, are assets wholly or partly owned by MassCEC. To optimally ensure on-time availability and continued use, the Commonwealth could couple construction windows with projects at the time of contract award. These construction windows must also consider the suitability of port infrastructure to support future offshore wind turbine and foundation technology such that developers would price their bids with those technology decisions in mind. The Commonwealth should consider what needs there will be in the future (size, innovation etc.) to future proof investment. The Commonwealth could also adopt measures such as staggering port usage or providing optionality in port utilization so that one project's delay does not have a ripple effect across other projects.
- Prioritize proactive transmission to serve OSW. By leveraging the longer schedule toward commercial operation of offshore wind projects, the Commonwealth (and/or the region) could identify, solicit, and build out transmission that will serve key points of interconnection and reduce OSW project grid upgrades. Many offshore wind projects in New England already have advanced interconnection queue positions as well as Federal and State permit applications which provide a reliable outlook on which future points of interconnection will support offshore wind connecting into New England. These few strategic POIs will necessarily require transmission and grid upgrades— addressing this infrastructure proactively will reduce schedule risk, take action on development that is already expected, reduce pre-FC grid upgrade guarantees required of developers, and reduce onshore construction timelines. Current grid upgrade guarantees are onerous— DOER should consider how to reduce developer exposure through proactive transmission planning.
- Recommendations for the Scope of Future Resource Solicitation Plans (RSPs). As noted in prior comments, Vineyard Offshore encourages DOER to shorten the timeline for development and review of RSPs. From start to finish, with the proposed timeline by DOER, it will take 19 months to develop and approve an RSP. Vineyard Offshore strongly cautions against any measures that could extend this process or make this process



Boston | New Bedford | New York| Eureka

open-ended, delaying future procurements. Given the RSP's will be done in three-year cycles, Vineyard Offshore recommends that the RSPs be limited to/prioritize commercially available energy resources.

Conclusion

In summary, Vineyard Offshore supports a number of the legislative recommendations provided in the Report and stresses that any framework going forward allows for the needed flexibility and adaptability to ensure cost-effective and successful future procurements.

Thank you for the opportunity to comment and for the Commonwealth's continued clean energy leadership.

| From: | Frank Callahan |
|--------------|--|
| То: | Troy, Joanna K (ENE) |
| Cc: | Ryan Murphy; Rich Marlin; Daniel McNulty |
| Subject: | DOER Procurement Report, MBTU Comment Submission |
| Date: | Monday, May 12, 2025 12:49:48 PM |
| Attachments: | Outlook-2ulpin5g.png |

CAUTION: This email originated from a sender outside of the Commonwealth of Massachusetts mail system. Do not click on links or open attachments unless you recognize the sender and know the content is safe.

?

Dear Deputy Commissioner Troy,

Please accept the following as a formal public comment on behalf of Massachusetts Building Trades Unions, representing 63 local unions in the union construction industry in Massachusetts, in response to DOER's release of the draft Procurement and Solicitation Effectiveness Report:

As the Commonwealth continues to invest in clean energy, future procurements of clean energy resources must include strong labor standards. Massachusetts prides itself on promoting sustainability and equity, and this is the time to put these values into action. Outlining the value of these labor standards, as the report does, is important-- recommending and working towards these is crucial.

DOER's report should recommend strong labor and community standards on all clean energy procurements. These recommendations should promote building clean energy projects under Project Labor Agreements with Prevailing Wages and Registered Apprenticeship programs, and operating and maintaining projects with labor peace agreements with relevant unions.

These recommendations are essential to aligning the Commonwealth with other states leading in clean energy while maintaining strong labor standards. They will help ensure that future clean energy projects are built with the highest quality and create safe, equitable, family-sustaining jobs.

We appreciate the time and opportunity to share public comments on the report

and thank you in advance for your consideration. We are looking forward to future opportunities to engage in conversation before the final report is released in June 2025.

Best,

Frank Callahan President Massachusetts Building Trades Unions

Massachusetts Building Trades Unions 35 Highland Ave, Malden, MA, 02148

Office: 781-321-6282

<u>https://massbuildingtrades.org/ | https://www.facebook.com/MassBuildingTrades | https://twitter.com/Mass_BTC</u>

| From: | Dan Coady |
|----------|--|
| То: | Troy, Joanna K (ENE) |
| Subject: | Public Comment in response to DOER's release of the draft Procurement and Solicitation Effectiveness Report: |
| Date: | Monday, May 12, 2025 11:22:53 AM |

CAUTION: This email originated from a sender outside of the Commonwealth of Massachusetts mail system. Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Dear Deputy Commissioner Troy,

Please accept the following as a formal public comment on behalf of **Boston Pipefitters Local 537** in response to DOER's release of the draft Procurement and Solicitation Effectiveness Report:

As the Commonwealth continues to invest in clean energy, future procurements of clean energy resources must include strong labor standards. Massachusetts prides itself on promoting sustainability and equity, and this is the time to put these values into action.

DOER's report should recommend strong labor and community standards on all clean energy procurements. These recommendations should promote building clean energy projects under project labor agreements with prevailing wages and registered apprenticeship programs and operating and maintaining projects with labor peace agreements with relevant unions.

These recommendations are essential to aligning the Commonwealth with other states leading in clean energy while maintaining strong labor standards. They will help ensure that future clean energy projects are built with the highest quality and create safe, equitable, family-sustaining jobs.

We appreciate the time and opportunity to share public comments on the report and thank you in advance for your consideration. We are looking forward to future opportunities to engage in conversation before the final report is released in June 2025.

Sincerely, Daniel E. Coady Business Agent Parent Body Boston Pipefitters Local 537 dcoady@pipefitters537.com