Question 1. Please provide the following information with your comments:

a. Name of Organization

Boralex/Gaz Metro (Seigneurie de Beaupré)

b. Type of Organization (Public/Industry/Advocacy/Other)

Industry (Energy Developper)

Question 3: REC and Non Class I eligible resources

- In order to foster competition, reduce the capital cost of bidders and thus ensure the RFP results in cost effective long-term contracts, the RECs or environmental attributes associated with non-class I RPS eligible resources shall be bundled to the energy and contracted, through a long-term contract, under a single blended fixed or indexed price.
- The methodology in the bid evaluation process should allow for a fair comparison between energy-only proposals and bundled energy and RECs (environmental attributes associated with non-class I RPS eligible resources) proposals.
- For energy and RECs (or environmental attributes associated with non-class I RPS eligible resources) proposals, the methodology should allow for a fair comparison between fixed blended prices and indexed or partially indexed prices.
- The evaluation of RECs should be based on the avoided costs anticipated compared to otherwise procuring RECs in the market to meet the objectives of the RPS. The expected RECs prices should be based on a forecast of RECs prices that is made publicly available to bidders.
- The evaluation of non-class I environmental attributes could be based on the cost of carbon as evaluated by other agencies such as the social cost of carbon developed by the US Environmental Protection Agency or the Zero Emission Credits developed by New York. Whatever the chosen methodology, the selected evaluation and forecasts should be made available to bidders.

Question 8: Transmission

Although a clean energy project can be proposed along with one or multiple proposed transmission project(s), the RFP rules and resulting contractual structure should allow for the transmission to be contracted separately with the EDCs rather than bundled within the energy and environmental attributes contract. Such direct contractual structure between the transmission developer and the EDCs would allow the EDCs to adequately and transparently evaluate each proposed transmission's costs and benefits, to tailor the contractual structure and guarantees to the specifics of transmission line development and construction, to better monitor and mitigate transmission cost overruns and to facilitate recovery of transmission costs through federal transmission rates consistent with FERC policies and tariffs.

Question 9: Repricing

The evaluation process should not allow repricing. Bidders should provide best and final offers, with appropriate guarantees, with their first and final offers.
It is our opinion that an evaluation process allowing for repricing would not provide lower prices, yet a second round, required for repricing, would add time, delays and cost to the process for evaluators and bidders.

Question 11: Combination of new Class I and Hydroelectricity

As required under Section 83D, the DOER shall give preference to the clean energy generation bids that combine new Class I renewable portfolio eligible resources and firm hydroelectricity generation. The bids offering this combination will provide maximum benefits to the ratepayers for economic and environmental reasons as this combination can guarantee the delivery of clean energy during high demand periods despite the intermittent nature of Class I renewable portfolio eligible resources. Combined with the appropriate transport to high demand areas, these bids can provide even more benefits to the system and the ratepayers.

The procurement should be designed to evaluate and capture the benefits provided by the described combination of generation using a cost/benefit analysis. The economic benefits of providing Class I renewable portfolio eligible resources balanced and firmed with hydroelectricity include the following:

- Competitive RECs procurement compared to otherwise procured RECs
- Electricity fuel cost savings
- Gas price savings to non-power sector
- Electricity price reductions from supply curve shift
- Shaving of fuel and electricity price spikes
- Reducing the cost of reliability issues
- Capacity price reduction

Additional environmental and health benefits could be added to the list above in the cost/benefit analysis.

Furthermore, by including strong features in the RFP to give a preference to bids that combine new Class I renewable portfolio eligible resources firmed with hydroelectricity, this RFP can meet the double objective of (i) procuring reliable and cost-effective clean energy as mandated in Section 83D and (ii) meeting the mandatory RPS goals of Massachusetts for 2020. To that effect, the RFP rules should mandate that the resulting combination of selected projects shall include a minimum quantity of Class I renewable portfolio eligible resources. This minimum threshold could be established based on the 2020 RPS targets of Massachusetts.

Finally, we would recommend that the RFP rules allow the bidders to submit variations of their bids, notably with respect to the quantity of energy, to different transmission options and to different mixes of hydroelectric versus Class I renewable portfolio eligible. Such flexibility would promote bid diversity and lead to the selection of a combination of winning bid variations that would optimize the balance between cost, economic benefits and system reliability.