

**UTILITY STANDARD OF CONDUCT**  
**GOVERNING ACTIVITY RELATED TO THE SOLICITATIONS FOR**  
**CLEAN ENERGY RESOURCES UNDER SECTIONS 83C AND 83D**  
**OF THE MASSACHUSETTS GREEN COMMUNITIES ACT**

**January 30, 2016**

**INTRODUCTION**

On August 8, 2016 Governor Baker signed “An Act to Promote Energy Diversity” (Chapter 188 of the Acts of 2016) which included amendments (“Sections 83C and 83D”) to the Massachusetts Green Communities Act. Pursuant to Sections 83C and 83D, the Massachusetts Electric Distribution Companies (“EDCs”) are required, not later than June 30, 2017 and April 1, 2017, respectively, to jointly issue one or more competitive solicitations for long term contracts to purchase Hydropower, MA Class 1 Renewable Energy and/ or Class 1 Renewable Energy Certificates, and associated transmission service (referred to herein as the “Solicitation Processes”). The National Grid EDCs involved in the Solicitation Processes are Massachusetts Electric Company, Nantucket Electric Company and, potentially, The Narragansett Electric Company (individually referred to as the “Utility”, and collectively the “Utilities”).

**PURPOSE**

The purpose of this Utility Standard of Conduct is to establish uniform protocols and guidelines to govern the conduct of National Grid employees and representatives related to the Solicitation Processes. Nothing in this document is intended to affect or modify the rights, obligations or duties of the Utilities arising under applicable state or federal laws, regulations or orders.

The Utilities acknowledge the need to follow a certain standard of conduct to ensure that the Solicitation Processes are conducted in a fair, transparent, and competitive manner, that all laws, regulations, rules, and standards and codes of conduct are observed, that all potential bidders are treated equally, that no potential bidder receives preferential

treatment or confidential, non-public information not available to other potential bidders, enabling it to gain an unfair competitive advantage, and that the efforts of the Utilities in the Solicitation Processes do not create any actual or apparent conflict of interest. The Utilities seek to avoid any ~~actual~~ or apparent conflict of interest by and among themselves and their affiliates who may submit a proposal and who ~~may~~ be participating in the solicitation and evaluation of proposals in the Solicitation Processes.

## **GUIDELINES**

The following guidelines are to be followed by all Utility and Utility affiliate employees participating in the Solicitation Processes and all such persons must acknowledge and agree to follow these guidelines in all circumstances.

1. Effective January 30, 2017 and ~~through and until~~ the date described in paragraph 13 below, each Utility shall designate the individuals participating in a direct and meaningful way in the Solicitation Processes. Each such individual shall be designated to be on either a Bid Team or an Evaluation Team, no individual shall be a member of both Teams, and no individual may change from one Team to the other during the Solicitation Processes.
  - a. The Bid Team shall comprise members of the Utility or the Utility's affiliate(s) who are responsible for the planning, conduct, administration, endorsement, or oversight of the development of proposals in response to the Solicitation Processes Request for Proposals ("RFP").
  - b. The Evaluation Team will be responsible for the planning, conduct, administration, endorsement, or oversight of the development of the RFP, the evaluation of proposals, selection of proposed projects, negotiation of any agreements, and related filings with state and/or federal regulatory authorities under the Solicitation Processes.
  - c. Individuals who are neither members of the Bid Team nor Evaluation Team but who provide guidance, advice, information, or support to the Bid Team and/or Evaluation Team in the normal course of their responsibilities shall be identified as "Subject Matter Experts" (SME).

2. With respect to each aspect of the Solicitation Processes listed above, the degree of participation of each Utility will be consistent with applicable state and federal laws, regulations and orders, and each Utility will have the option to take further action as it deems necessary or appropriate to avoid an actual or perceived conflict of interest.
3. Throughout the Solicitation Processes the Bid Team and the Evaluation Team will be represented by separate principal in-house legal counsel; however, in-house attorneys not principally representing the Bid or Evaluation Team may serve as SMEs. The Bid Team and the Evaluation Team will be represented by separate outside counsel; however, outside law firms may establish ethical walls within their firm to ensure separation of attorneys principally supporting the Bid Team and those principally supporting the Evaluation Team. Outside counsel not primarily supporting the Bid or Evaluation Team for the Solicitation Processes may serve as SMEs.
4. In connection with the development of RFP(s) that will form part of the Solicitation Processes, the Utility will assess whether any additional reasonable measures could be instituted to avoid any actual or apparent conflict of interest and whether they would be reasonably practicable to implement.
5. The Bid Team and the Evaluation Team shall report through and operate within independent companies, business units or departments, to the extent feasible based on the corporate and organizational structure of the Utility.
6. Each Utility agrees and commits to include in any bid offered in response to the Solicitation Processes full disclosure of any ownership interest, financial interest, or other potential conflict of interest with respect to that bid.
7. Each Utility shall ensure that no confidential, non-public information regarding the solicitation or evaluation process, a proposal, or the evaluation of any proposal shall be communicated from members of the Evaluation Team to the Bid Team, except as provided to all bidders pursuant to the Solicitation Processes or as otherwise contemplated under the rules of the Solicitation Processes.
8. No member of the Evaluation Team may consult, advise or communicate directly or indirectly with a member of the Bid Team any confidential, non-public

information regarding the Solicitation Processes, any proposal, or the evaluation of any proposal during the bid preparation, submission or evaluation process, and vice-versa, except through the methods authorized under that Process.

9. No SME for the Solicitation Processes may communicate directly or indirectly any confidential, non-public information obtained from the Evaluation Team with a member of the Bid Team regarding the Solicitation Processes, any proposal, or the evaluation of any proposal during the bid preparation, submission or evaluation process, and vice-versa, except through the methods authorized under that Process.
10. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the evaluation of all projects including any proposal submitted by that Utility and/or that Utility's affiliates.
11. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the negotiation of contracts relating to any projects selected under the Solicitation Processes, including any proposal submitted by that Utility and/or that Utility's affiliates.
12. Each Utility shall communicate these guidelines to all persons on the Bid Team and the Evaluation Team, and to the SMEs, and those persons shall certify in writing their commitment to honoring the guidelines and to referring any questions regarding compliance with the guidelines to the Utility's Designated Compliance Counsel.
13. These Guidelines shall be in place until the earliest of: (1) the conclusion of all regulatory filings or approval proceedings resulting from the Solicitation Processes; (2) the termination or abandonment of all Solicitation Processes; (3) the withdrawal of all bids by the Bid Team from the Solicitation Processes; (4) the written notification from the Bid Team to the Evaluation Team that the Bid Team will not submit a proposal in any Solicitation Processes; or (5) the official notification to the Bid Team that its proposal(s) in response to the Solicitation Processes was not successful.

MASSACHUSETTS ELECTRIC COMPANY  
AND NANTUCKET ELECTRIC COMPANY,  
EACH D/B/A NATIONAL GRID

By its President:

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