

DOER Request for Stakeholder Comment

1. Please provide the following information with your comments:

- a. **Name of Organization**

Environmental League of Massachusetts

National Wildlife Federation

Sierra Club, Massachusetts Chapter

Mass Audubon

Environment Massachusetts Research & Policy Center

Union of Concerned Scientists

Acadia Center

Association to Preserve Cape Cod

350 Massachusetts for a Better Future

2. Section 83C of Chapter 169 of the Acts of 2008 (“Section 83C”), as amended by Chapter 188 of the Acts of 2016, An Act to Promote Energy Diversity, allows the distribution companies to conduct one or more competitive solicitation through a staggered procurement schedule developed by the distribution companies and the Department of Energy Resources (“DOER”) with any subsequent solicitation occurring within 24 months of the previous solicitation. With respect to the next procurement, please respond to the following questions regarding the timetable:

- a. **What are the advantages or disadvantages to issuing the subsequent solicitation prior to June 29, 2019 (“Subsequent Solicitation”)?**

The Subsequent Solicitation should be issued as soon as possible, ideally significantly prior to June 29, 2019, in order to not delay realization of the many benefits that developing offshore wind will deliver to Massachusetts residents and businesses: reducing greenhouse gas emissions from the power sector; lowering wholesale electricity costs; improving air quality and public health; providing highly skilled and well-paying jobs; and building a Massachusetts industry that can provide an economically competitive alternative to our existing fossil fuel power-generation fleet facing significant retirements in the coming years. The earliest-possible date for the Subsequent Solicitation would also improve the ability of the winning developer(s) to secure the federal Investment Tax Credit, due to expire at the end of 2019, which could benefit Massachusetts ratepayers appreciably.

Furthermore, in October 2018, Governor Baker committed to issue the Subsequent Solicitation “on or before June 2019”. Attached, you will find the full language of the governor’s commitment. The relevant portion reads:

“I pledge to take all necessary steps to ensure that Massachusetts remains a leader in the effort to launch the nation’s offshore wind industry. Specifically, after taking office I will direct the relevant state agencies to:

1. *Ensure that the existing offshore wind requirements pursuant to Section 83(c) of the Energy Diversity Act of 2016 are fulfilled, including the timely solicitation and selection of responsibly developed project(s) to fulfill the remaining 800 MW offshore wind commitment on or before June 2019.”*
- b. **Does the BOEM lease sale, and any subsequent data collection at the newly leased sites, affect the potential timing of when proposals should be due under the Subsequent Solicitation?**

The recent BOEM lease sale provided clear evidence that there is significant private-sector interest in developing large amounts of offshore wind in federal waters near Massachusetts. Given the shared interest of neighboring states in advancing this renewable energy resource, the Commonwealth should feel a sense of urgency to advance contracts, as the limited space for offshore wind development will likely be shared among New England states, New York, and New Jersey. As industry leaders look to establish a local supply chain and port infrastructure, now is the moment to signal that Massachusetts is ready to support the launch of a robust offshore wind industry. First-mover economic advantages are within reach, and the sooner the Subsequent Solicitation is issued, the sooner developers can infuse those benefits into Massachusetts communities.

- c. **Once the Subsequent Solicitation is issued, please discuss the advantages and disadvantages of longer or shorter time-frames for responsive bids. Please be specific regarding the time periods you are discussing.**

Vineyard Wind, Ørsted, and Deepwater Wind (since acquired by Ørsted) had little visible problem responding to the six month timeframe for the original solicitation under 83C. Therefore, the timeframe for responses to the Subsequent Solicitation should be no more than six months.

Given the manageable number of bidders, and the urgency underscored above of protecting the potential for developers to secure the Investment Tax Credit, we urge DOER to consider allocating a shorter window of time for the Evaluation Team to review and select the winning bid(s).

- d. **What are ways in which the Subsequent Solicitation could take advantage of the expiring federal Business Energy Investment Tax Credit (ITC)?**
- e. **What would be required in order for a potential bidder in the Subsequent Solicitation to secure the 2019 ITC?**

In order for bidders to secure the 2019 ITC, they would need to pay five percent of their total project cost, or have manufacturers building significant portions of the project off-site by December 31, 2019. As indicated above, that would require bidder(s) to know they have been selected as far in advance of the end of the year as possible. We urge both an early issuance of the Subsequent Solicitation and an expeditious review of bids to keep the ITC within reach for the Commonwealth's next offshore wind project(s).

f. What market conditions (technology, vessels, local supply chain, etc.) or ongoing data collection might necessitate a shorter or longer time period for proposal development prior to submission?

It is important that the pre- and post-construction data-gathering and environmental impact-monitoring system be designed so that information from each project can be combined and analyzed in a coordinated fashion. In particular, it is important that monitoring from early projects be used to inform assessment, avoidance, minimization, and mitigation of impacts both for individual projects and cumulatively.

g. Should the timing of offshore wind energy procurements in other states have any impact on the procurement timeline of the Subsequent Solicitation?

While there are potential advantages to coordinating with other states and the economies of scale that it can garner, Massachusetts should consider coordination only if it does not delay the Subsequent Solicitation.

Thank you for considering our collective comments. We look forward to working with you to launch a robust and responsible offshore wind industry here in the Commonwealth.

Sincerely,

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