



Greater New England Minority Supplier Development Council

February 24, 2021

Massachusetts Department of Energy Resources
100 Cambridge Street
Suite 1020
Boston, MA 02114

To Whom It May Concern:

This comment is submitted on behalf of the Greater New England Minority Supplier Development Council (“GNEMSDC”). Operating from offices in Boston, MA and New Haven, CT, GNEMSDC and its stakeholders—its corporate members and its certified minority owned businesses (“MBEs”) are focused on economic inclusion and minority business development. Throughout New England, GNEMSDC has 270 MBEs with aggregate revenues of \$2.8 Billion and 20 thousand employees (65% of whom are people of color). Over 60% of our MBEs are owned by Blacks, Hispanics and Native Americans, and 53% of the aggregate revenues are generated by MBEs owned by these groups. In Massachusetts, we have 147 MBEs with aggregate revenues of \$1.8 Billion. MBEs in Massachusetts owned by Blacks, Hispanics and Native Americans represent 64% of all of our MBEs in the Commonwealth and 52% of the aggregate revenues.

We know that minority business development is an effective lever to reduce the Racial Wealth Gap that plagues the Commonwealth and our country. In light of this, we applaud the addition of new language regarding minority economic participation in the 1600MW 83C III offshore wind procurement. The new language, however, does not go far enough given the confluence of: the importance of renewable energy to save our planet; the substantial economic contributions expected from this sector; and the negative impact of the Racial Wealth Gap. We encourage you to build from this foundation and create a structure that results in greater racial equity and minority economic participation not just as contractors and vendors, but also as developers, investors, C suite leaders and board members.

This is the largest such project in the Commonwealth's history and represents a capital investment of between \$4-5 Billion, and a resource that will provide energy to important customers for over 20 years. The C suite leaders, board of directors, investors, workers and companies engaged in this solicitation will have an important head start to become the leaders of one element that will help preserve our planet: tomorrow's offshore wind industry. Your Administration projects that **half of Massachusetts' energy may come from offshore wind by 2050**. This solicitation represents just the beginning of what will be tens of billions of dollars' worth of economic activity and tens of thousands of jobs in the decades ahead. Choices made today set the course not only for industry growth and workforce development for the years to come.

The Commonwealth should use this RFP to use renewable energy to save our planet, but create a paradigm for this important energy source that will make Massachusetts a leader in restructuring the Offshore Wind sector to have Diversity and Inclusion as an essential aspect of its DNA. Responses to this RFP should require comprehensive Diversity & Inclusion Plans to be included with developers' submissions, and give significant weight to these Plans when evaluating the proposals. Supplier Diversity should be encouraged. And, diverse investors, including private equity funds led and managed by people of color, should be included as an integral part of the developers' teams. And, developers should be encouraged to make Diversity and Inclusion an essential element of their leadership, including the members of their C Suite and boards of directors, respectively. A number of research reports authored by McKinsey have demonstrated the correlation between ethnic diversity at the C Suite and board level and superior financial performance.

We encourage you to use the Massport Model for racial inclusion and minority economic participation as a thoughtful starting point in this solicitation. Rather than set prescriptive criteria, DOER should create the conditions for structural change, healthy competition and ongoing accountability that will benefit the Massachusetts' economy and make the Commonwealth a leader in using renewable energy to reduce the Racial Wealth Gap. The Massport model succeeded because the state set a high bar and gave bidders the flexibility to harness their innovation, creativity and expertise. And, the principal customers of the energy that will be created by this RFP recognize the importance of minority business development as Eversource is a corporate member with GNEMSDC and National Grid is a corporate member with the National Minority Supplier Development Council.

We therefore urge DOER to:

- Evaluate proposals, in significant part, based on submitted plans for creating opportunities for minorities in a variety of roles, including: the development teams; contractors, vendors and their employees; executives in the C Suite and on the boards of the developers; and institutional investors. Among other features, this component of proposals should address:
 - a. The respondent's plan for training and workforce development, focused on minority workers;**
 - b. The respondent's plan to solicit business from minority owned firms during the construction phase and over the life of the contract;**
 - c. The respondent's plan to include minorities in its senior leadership and on its board of directors;**
 - d. The respondent's plan to include minority firms and institutional investors as a part of its development team; and**
 - e. The respondent's plan to solicit investment from minority investors.**
- Require bidders to cooperate with the state Supplier Diversity Office and other state agencies focused on minority business creation and development.
- Require that bidders explain how their proposal will mitigate environmental harm and create economic opportunities in environmental justice communities.
- Establish a process for the ongoing evaluation of commitments made in selected bids, including by requiring successful bidders to provide regular updates and statistics regarding their progress towards achieving or improving upon those commitments.

Thank you for your consideration.

Sincerely,



Peter F. Hurst, Jr.
President and CEO