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Subject: Request for Public Comment on Draft Request for Proposals for Long-Term Contracts for Offshore Wind Energy Projects (83 III)

RENEW Northeast, Inc. (“RENEW”)¹ submits these comments in response to the Request for Public Comment on the Draft Request for Proposals for Long-Term Contracts for Offshore Wind Energy Projects by the Massachusetts Distribution Companies (“EDCs”) & the Massachusetts Department of Energy Resources (“DOER”) (collectively, “Drafting Team”).

RENEW is a non-profit association uniting environmental advocates and the renewable energy industry whose mission involves coordinating the ideas and resources of its members with the goal of increasing environmentally sustainable energy generation in the Northeast from the region’s abundant, indigenous renewable resources. RENEW members own and/or are developing large-scale renewable energy projects, energy storage resources and high-voltage transmission facilities across the Northeast. They are supported by members providing engineering, procurement and construction services in the development of these projects and members that supply them with multi-megawatt class wind turbines. RENEW seeks to promote policies that will increase energy diversity, promote economic development, and achieve the Commonwealth’s policy goals including those found in the Renewable Portfolio Standard (“RPS”), G.L. c.25A, §11F, and the Global Warming Solutions Act (“GWSA”), G.L. c. 21N.

Review of Form of Power Purchase Agreement (“Form PPA”)

Appendix B does not contain the Form PPA. RENEW recommends the Drafting Team provide a copy of the Form PPA for stakeholder comment before submitting the RFP to the Department of Public Utilities (“DPU”) for approval. Prior review might minimize the PPA negotiation phase by addressing PPA issues ahead of time.

Multistate Coordination

As explained in a note in Section 1.1 of the RFP, RENEW supports the idea of Massachusetts considering the participation of other states in the solicitation if it provides benefits for achieving Massachusetts’ policy goals and is in the best interest of consumers. If a multistate coordination involves parallel RFPs between the states, RENEW recommends allowing bidders to make a bid contingent on the outcome of a bid in the other state or states.

¹ The comments expressed herein represent the views of RENEW and not necessarily those of any particular member of RENEW.

RENEW respectfully requests the RFP be amended to allow explicitly for a positive contingent bid in this situation.

Composition of the Project Selection Team

As with prior solicitations, the RFP has established that the Evaluation Team is to consist of the EDCs and DOER and, as provided in Section 1.3, it is responsible for bid review and project selection. RENEW prefers models in which a state energy agency alone selects winning bids without an EDC decision-making role in project selection to eliminate the appearance of any conflicts of interest. RENEW therefore recommends excluding the EDCs from the Evaluation Team. DOER should be the sole entity responsible for project selection while being able to *consult* with the EDCs and receive recommendations from the Attorney General's Office.

Adjustments for Price Cap Requirement

Section 83C requires each solicitation to have a levelized price per megawatt hour, plus associated transmission costs, less than the levelized price per megawatt hour that resulted from the previous solicitation. For the instant RFP, the nominal levelized price of any proposal must be less than the \$77.76 per MWh approved in 83C II for the Mayflower Wind project.

National Grid has provided alternative language in Section 2.2.1.4(i) that seeks to address the Mayflower project *potentially* qualifying in a later year for the federal Investment Tax Credit (“ITC”) at the higher level of 30 percent, resulting in a reduction in price under the Mayflower Wind PPAs approved price of \$77.76 per MWh to \$70.26 per MWh. The National Grid alternative requires each bidder if it submits a price below \$77.76 per MWh but above \$70.26 per MWh to include an additional price that is less than \$70.26 per MWh, and commit to that lower price in the event Mayflower does achieve the 30 percent ITC upon reaching its commercial operation date.

RENEW opposes this alternative. Legally, the price to beat is \$77.76 as that is the approved price from the previous solicitation according to the November 5, 2020, DPU Order. Practically, this alternative is unworkable. Given the highly competitive environment for a PPA, each developer will logically offer its lowest bid and not seek to bid a potentially uncompetitive price just below the \$77.76 per MWh ceiling. That being the case, if a bidder can offer a profitable bid below \$70.26 that is what it will do. If it cannot, mandating it will not produce a bid below that level.

Quantitative and Qualitative Evaluation Criteria

In Section 2.3, Evaluation Criteria - Quantitative and Qualitative Analysis, proposals will be scored with up to 75 points for quantitative factors and up to 25 points for qualitative factors

for purposes of conducting the Stage Two evaluation. The RFP does not provide information on the weighting of criteria for either the Quantitative Evaluation or Qualitative Evaluation.

The Evaluation Team should include the details on the weighting of all criteria. It is not clear why criteria weighting should be deemed confidential and proprietary and protected from public disclosure. The RFP has scores of evaluation criteria. If developers see the weightings, they will learn which criteria are considered more important by their assigned higher weightings and they will tailor their proposals to meet policy objectives.

Appendix J provides additional criteria to be considered in the Section 2.3.2 Qualitative Evaluation as it concerns Environmental and Socioeconomic Impacts. These criteria pertain to impacts on the environment, wildlife, commercial and recreational fishing, and environmental justice populations. RENEW recognizes that offshore wind projects must be developed with strong, and reasonable, protections in place to protect our coastal and marine environment and wildlife, especially vulnerable species like the endangered North Atlantic right whale. RENEW supports the requirement in Appendix J of the RFP that each bidder submit a preliminary plan describing how it will “avoid, minimize, or mitigate environmental impacts (onshore and offshore) from the wind farm array, transmission cabling, substations and other infrastructure from pre-construction through the duration of the project based on best management practices.” RENEW supports developers being committed to racial equity and advancing minority economic participation and recommends adding to Appendix J a requirement that bidders include Diversity & Inclusion Plans (“D&I Plans”) with their submissions.

Clean Peak Energy Certificate (“CPEC”) Supply

Section 2.3.1.1 of the RFP states that, “Offshore Wind Energy generation resources will be evaluated on the value of their ability to produce and supply CPECs to meet customer needs if such value is reliably quantifiable and meaningful.” RENEW supports this provision provided resources are not required to commit to generate a minimum or fixed amount of CPECs. RENEW also recommends the RFP clarify that bidders will have no requirement to supply CPECs.

Encouraging offshore wind generators to find synergies with Qualified Energy Storage Systems (“QUESS”) would also be beneficial for helping achieve the Commonwealth’s goals to develop clean resources that meet peak demand, to avoid GHG and hazardous emissions and to reduce electricity prices. RENEW recommends enabling bidders to (1) own CPECs generated by a QUESS paired with offshore wind (“paired system”), (2) operate the paired system to achieve Clean Peak Energy Standard requirements, and (3) avoid negative pricing by storing offshore wind energy. Enabling bidders to own CPECs generated by paired systems and operate paired systems to maximize generation of CPECs will increase the supply of CPECs and reduce consumer costs. The benefits of paired energy storage systems can additionally be promoted by authorizing contingent bids for paired systems bidding into EDC procurements for CPECs.

Bidders Submitting Joint Proposals

Section 2.2.1.3 provides that “Two or more Eligible Bidders, together, may submit a joint conforming proposal consisting of two or more Offshore Wind Energy Generation projects, provided such bidders propose a sharing, to some extent, of common delivery and/or interconnection facilities.” RENEW has questions about how bidders could develop a joint proposal while conforming to antitrust laws. RENEW requests the Drafting Team provide antitrust guidance on this bid type.

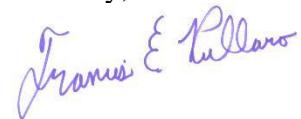
Grid Constraints Study Requirement

RFP Appendix I requires bidders complete a study for informational purposes to identify constraints or potential constraints to help inform the Evaluation Team’s quantitative modeling, including its understanding of general transmission issues. It does not require bidders to identify network upgrades or change other aspects of their bids to address any issues disclosed by the study. RENEW observes that ISO New England’s (“ISO-NE”) interconnection requirement, though, does not contain a “no curtailment” standard nor does ISO-NE’s system impact study provide the interconnection customer with information on the level of curtailment that might occur after meeting the interconnection standards. Generators seeking to interconnect to the grid must meet a reliability based minimum interconnection standard for providing “energy only” and in addition must pass the overlapping impact test for providing “energy and capacity”. In both cases, “energy only” and “energy and capacity”, ISO-NE is not required to, nor does it, evaluate potential curtailment and its economic consequences for new interconnecting generators, under either interconnection standard.

As the RFP proposes, developers may independently conduct a study during a project’s development phase to determine the curtailment risks a project might face once operational. It should be recognized that the assumptions used in such studies may not be standard from one to the next and the results are a best-guess outcome for the developer’s given assumptions rather than a definitive determination. Due to these circumstances, RENEW recommends this requirement be optional.

Thank you for the opportunity to offer these comments.

Sincerely,



Francis Pullaro
Executive Director