March 1, 2023

Submitted Electronically via Marian.Swain@mass.gov

Commissioner Elizabeth Mahony
Department of Energy Resources
100 Cambridge Street #1020
Boston, MA 02114

RE: MA 83C Round 4 Offshore Wind Solicitation Request for Public Comment

Dear Commissioner Mahony,

We are a diverse group of advocates, associations, labor unions, and businesses eager to see Massachusetts realize its offshore wind potential swiftly and responsibly. We congratulate you on your recent appointment and look forward to working with you to advance offshore wind power while maximizing benefits for workers and communities and ensuring the protection of wildlife and habitat. We respectfully submit the following comments on the 83C Round 4 Offshore Wind Solicitation.

Our comments underscore a need for greater specificity, stringency, and transparency in the evaluation process to ensure Massachusetts advances projects that will maximize environmental, health, and socioeconomic benefits. Overall, we recommend increasing the points allocated for qualitative factors from 30 to 50 percent to accommodate the additional factors we outline below. The selected offshore wind project(s) have the potential to transform our state's economy and lay the foundation for an industry that will be the linchpin for our decarbonization efforts. To obtain the maximum benefit from this promising opportunity, we call for this balance between qualitative and quantitative factors to

appropriately value the details that will shape the industry's interaction with our communities and environment.

We urge DOER to be open and transparent with the specific scoring and weighting of each factor in the evaluation. We also acknowledge that the solicitation calls for several plans that DOER, the Executive Office of Economic Development, and the independent evaluator may not be in the best position to evaluate. We urge DOER to consult with experts on those plans including the Executive Office of Energy and Environmental Affairs Habitat Working Group on Offshore Wind Energy, the Supplier Diversity Office, and other relevant state agencies.

Further, as detailed below, we recommend a clear set of baseline requirements for qualitative evaluation. While we recognize the value in leaving room for innovation, there should be a minimum threshold that every bidder is expected to meet.

We appreciate your consideration of our specific recommendations and look forward to working with you to embrace the full potential of responsibly developed offshore wind power.

Questions for Public Comment:

1. ***Procurement Size*: What should be the maximum procurement target, in megawatts (MW), for the 83C Round 4 solicitation?**

   Final determination of the procurement size should be closely related to considerations for the multi-state proposal to the U.S. Department of Energy (DOE) for regional offshore wind transmission. As demonstrated in a recent report from The Brattle Group[1], the sooner the states can move away from the status quo of procuring offshore wind projects with generator lead lines and toward a regional (and eventually interregional) networked offshore transmission approach, the lower the cost and fewer the impacts will be. With this in mind, it may make sense for DOER to limit the size of this procurement to 1,200 MW to maximize the amount of future offshore wind projects that will be able to utilize a networked offshore grid. However, if DOER finds a way to structure the solicitation so it would ensure offshore wind projects procured through this round would be part of or connected to the Regional Transmission Initiative's proposed Modular Offshore Wind Integration Plan (MOWIP), DOER may consider a higher procurement target for this round. We encourage DOER to analyze the costs and benefits of these approaches and base the procurement target on the approach that would minimize environmental and ratepayer impacts while ensuring the Commonwealth achieves its requirement of 50% emissions reductions by 2030.

   Clarity on the outcome of the 83C Round 3 contracts is also essential to determining procurement size. We urge all involved parties to come to the table to resolve the situation as soon as possible to ensure that this solicitation can be designed appropriately.

2. ***Procurement Schedule*: The 83C Round 4 RFP must be issued within 24 months of the prior solicitation pursuant to Section 83C.**

   b. **How could the 83C Round 4 schedule be designed to best align with other offshore wind procurements being conducted or planned in neighboring Northeastern states?**

[1] Pfeifenberger, Johannes, The Brattle Group, "The Benefit and Urgency of Planned Offshore Transmission," January 24, 2023, https://www.brattle.com/insights-events/publications/brattle-consultants-highlight-the-benefits-of-collaborative-planning-process-for-offshore-wind-transmission-in-new-report/

As members and allies of the New England for Offshore Wind coalition whose aim is to increase regional collaboration on offshore wind, we are thrilled to see consideration of this question. Regional collaboration is necessary to maximize New England's potential as an offshore wind leader, unlock economies of scale, accelerate development, and improve project outcomes across our shared electric grid. Due to the regional nature of challenges as well as New England's shared resources, we cannot bring offshore wind to the scale needed to maximize economic benefits and combat climate change without meaningful collaboration.

Beyond this immediate solicitation, we urge the New England governors to issue a joint resolution in support of creating a shared vision and driving regional collaboration on offshore wind. Such a resolution should: acknowledge that responsibly developed offshore wind will be foundational to a decarbonized New England grid; articulate a commitment and strategy for the six states to collaborate to bring this resource online in a timely and responsible way; and propose an accountability structure or multi-state decision-making entity by which strategic planning and collaboration will take place on a regular basis. We also urge Massachusetts to work with the other New England states to publish and coordinate procurement schedules to allow this collaboration to take place.

We do not see immediate opportunities for Massachusetts to coordinate with other neighboring states for this solicitation round, but we are extremely supportive of efforts to ensure this possibility in the future.

3. ***Commercial Operation Date: What should be the latest allowable commercial operation date for projects bidding into 83C Round 4, and why?***

The latest allowable commercial operation date for projects bidding into 83C Round 4 should be 2030 to ensure that the next project(s) help the Commonwealth reach the required 50% emissions reductions by 2030. As demonstrated by the Commonwealth's Clean Energy and Climate Plan (CECP), offshore wind is going to be the linchpin of our decarbonization strategy in both the near and long-term. If the Commonwealth is to hit its near-term goals, we must prioritize projects that will be ready sooner rather than later.

In addition, the Modular Offshore Wind Integration Plan (MOWIP) concept paper states that initial phases of the modular regional transmission approach could be ready in 60-96 months. Projects with commercial operation dates of 2030 or later would be best positioned to use those transmission facilities.

4. ***Transmission:***

In September 2022, New England for Offshore Wind released a set of six Transmission Principles[2] to help advance critical new transmission investments for offshore wind. We urge DOER to adopt these Transmission Principles to serve as the foundation for offshore wind transmission. The Transmission Principles establish a framework that maximizes benefits and minimizes impacts of New England offshore wind transmission planning and development and include the following features (referred to as the "BASICS"):

- **B**enefit impacted communities
- **A**void, minimize, and mitigate environmental impacts
- **S**ecure environmental justice

[2] New England for Offshore Wind, Acadia Center, *Transmission Principles,* September, 2022, https://www.newenglandforoffshorewind.org/wp-content/uploads/2022/08/FINAL-Transmission-Principles.pdf

- **I**nclusive and early stakeholder engagement
- **C**oordinate on transmission investments
- **S**upply local jobs and economic development

While the impacts of transmission and clean energy development are much less formidable than those caused by climate change, the Commonwealth must work with other states, regional regulators, interregional partners, and developers to minimize these impacts through proactive planning and community engagement that prioritizes environmental justice populations, while making prudent investments for the regional grid.

a. ***How should the 83C Round 4 requirements regarding transmission and interconnection of proposed projects be designed to maximize efficient use of the onshore transmission system?***

DOER should consider identifying options for preferred points of interconnection (POIs) and incentivizing bidders to optimize use of POIs. In doing so, DOER may ensure offshore generation is connected to the onshore grid in areas that minimize environmental and environmental justice impacts, encourage efficient use of the onshore transmission system, prevent unnecessarily costly onshore upgrades, and create important focal points to guide regional planning, as POIs with significant capacity near load centers can inform a larger regional offshore grid proposal.

DOER should also coordinate with DOE, grid operators, and offshore generation and transmission developers to develop and implement "network-ready" standards for modular offshore substations and export cables to ensure physical and functional compatibility and expandability of offshore transmission infrastructure. Through network ready standards, Massachusetts can then require such network-ready capabilities in future offshore wind transmission and generation procurements, thereby enabling any export links built today to effectively inform a planned offshore network in the future.

b. ***Please comment on potential ways to integrate 83C Round 4 with ongoing regional transmission initiatives, including the Joint State Innovation Partnership for Offshore Wind.***

We enthusiastically support the Joint State Innovation Partnership for Offshore Wind. Regional transmission for offshore wind will be critical to increasing reliability and unlocking the full potential of offshore wind on our shared grid. We suggested a lower procurement target for this round because we believe that the sooner we move away from a generator lead line approach and toward a planned regional approach for transmission, the lower the costs and impacts will be. The recent report by The Brattle Group on planned, networked transmission found that pursuing this strategy immediately on a national scale would result in at least $20 billion in transmission-related cost savings nationally; 60-70% fewer shore crossings and necessary onshore upgrades; approximately 50% fewer miles of submarine transmission cable installations; and enhanced reliability and resilience.

While moving directly to a planned regional approach would be the most cost-effective and efficient path forward, we support DOER exploring potential ways to integrate the Round 4 project(s) with regional transmission initiatives. To drive that integration, DOER could require bidders to submit at least one bid that utilizes a specific type of transmission technology that aligns with proposed regional plans. The Modular Offshore Wind Integration Plan (MOWIP) is based on the use of long-distance high voltage direct current (HVDC) cables. It would be worth exploring whether a generator lead line approach for the next project(s) could integrate into a

regional network if it uses the same technology and allows for the project to mesh into a future HVDC regional grid.

Finally, DOER should consider adopting similar language to the 2022 Rhode Island Energy request for proposals for long-term contracts for offshore wind energy.[3] The Rhode Island solicitation requires winning bidders to enter into a Commitment Agreement to negotiate a transmission service agreement with the owner of regional transmission facilities, if they became available before commercial operation date of the project(s).

c. ***Please comment on the advantages and challenges of the "Meshed Ready" transmission requirement in the 2022 NYSERDA offshore wind RFP (ORECRFP22-1) and what factors would need to be considered for such an approach to be applicable in a Section 83C solicitation.***

As noted above, moving as soon as possible to a planned, regional (and in future, interregional) approach for transmission would be the most cost-effective and efficient path forward. However, if technologically feasible, instituting some form of a "Meshed Ready" transmission approach in 83C Round 4 could be an appropriate interim step, as it could ensure future integration of the project(s) into a regional transmission network that may not be available until after their commercial operation date.

The challenge with the 2022 NYSERDA "Meshed Ready" requirement is that the assumption was for a high voltage alternating current (HVAC) meshed grid. If DOER is exploring pursuing this approach for 83C Round 4, they should require a "Meshed Ready" approach that would use the same HVDC technology proposed in the MOWIP concept paper[4] It is possible that the "Meshed Ready" approach could add unnecessary costs, and DOER should conduct an analysis of the costs and benefits of this approach.

5. ***Inflation, Supply Chain, and Macroeconomic Factors:***

a. ***How could 83C Round 4 be designed to best account for current and future rates of inflation and other supply chain and economic pressures on the offshore wind industry to both ensure project viability and protect Massachusetts ratepayers?***

Recognizing the economic turbulence contracted projects are currently facing, we support an approach that makes projects more resilient to future fluctuations. It is important that any approach balances the need to protect ratepayers from bids with higher prices to account for uncertainty, while supporting the long-term viability of selected projects. We recommend that bidders have the option to adjust their price at the time of their federal Record of Decision, with a previously agreed to mechanism based on objective and quantifiable values such as inflation, and that the price can either increase or decrease accordingly.

6. ***Federal Funding:***

a. ***How could 83C Round 4 be designed to ensure Massachusetts ratepayers receive the maximum benefits of the new federal funding opportunities, tax credits, and/or other programs available to offshore wind developers under the Bipartisan Infrastructure Law***

[3] https://ricleanenergyrfp.files.wordpress.com/2022/11/2022-ri-osw-rfp-timeline-edits-11.4.22.pdf

[4] The MOWIP states that the initial RFP will allow for the selection of one to three HVDC transmission lines to unlock constrained clean energy resources and efficiently inject power in into the regional grid. *See also* Request for Technical Conference of Invenergy Transmission LLC, Docket No. AD22-13 (Nov. 10, 2022) (Invenergy Transmission Request).

(BIL) and Inflation Reduction Act (IRA)?

The full 30% value of the Energy Investment Tax Credit is available only to developers who adhere to prevailing wage standards and hit certain benchmarks for apprentice labor participation.

Furthermore, accessing the cost-saving potential of the 10% domestic content bonus in the Production Tax Credit (PTC) and Investment Tax Credit (ITC) within the Inflation Reduction Act (IRA) requires that projects use at least 25% domestic content by 2026, 45% by 2027, and 55% by 2028. Setting a domestic content preference at a capacity equal to or greater than what is required in the IRA will help to ensure that projects maximize job creation as well as cost savings of the PTC and ITC.

For the full economic benefit of these federal tax credits to accrue to Massachusetts taxpayers and ratepayers, the four measures we propose in the following section related to economic development should be incentivized with explicit credits in the evaluation process.

7. ***Economic Development, Workforce, and Diversity, Equity & Inclusion (DEI): How could 83C Round 4 be designed to best encourage investments and commitments that maximize economic benefits to the Commonwealth, support workforce harmony, and advance goals for DEI? Specifically, please refer to Section 2.3.2.i of the 83C Round 3 and to the relevant provisions in Section 61 of* An Act Driving Clean Energy and Offshore Wind.**

We applaud DOER's guidance in Section 13 of Appendix A to the Round 3 solicitation, requiring bidders to submit specific job numbers, levels of compensation, and estimated impacts on economically distressed areas, and we encourage Round 4 to incentivize accountability for similarly measurable steps to provide high-quality jobs and equitable access to economic opportunity.

The solicitation should require enforceable commitments to providing job training and recruitment designed to benefit EJ populations, fair wages and labor standards, and strong safety protections. Specifically, we encourage DOER to provide guidance to bidders in this solicitation, explicitly incentivizing those who make the following guarantees:

- Workers will receive prevailing wage rate throughout the project;
- The developer will partner with local community organizations and labor unions through a Community Benefits Agreement to engage transitioning workers and economically distressed communities in workforce development, pre-apprenticeship, and apprenticeship programs that form a pathway to high-quality careers in offshore wind;
- The developer commits to union neutrality and makes every effort to negotiate a Project Labor Agreement with all relevant unions throughout construction and a Labor Peace Agreement throughout operations and management of the project, at port facilities, and for the manufacturing of offshore wind components related to the project. Developers who have already entered into such agreements should be rated more highly than those who have not;
- Employment on the project will include at least the minimum participation of apprentices required for the full Energy Investment Tax Credit (U.S. Code Sec. 45(b)(8)(C)).

Domestic and local content requirements would help alleviate supply chain constraints as well as ensure that economic benefits from public investments in offshore wind result in real economic growth and economic justice in the Commonwealth and the elsewhere United States. According to the National Renewable Energy Laboratory, maximizing the use of domestic content in the national goal to achieve 30 GW of offshore wind by 2030 could result in an additional 49,000 jobs annually.

Labor standards ensure that the jobs created in this new industry uphold the well-being of workers and their families, and Community Benefits Agreements are an enforceable way to ensure that environmental justice communities, workers transitioning from fossil fuel intensive industries, and historically marginalized communities are up front in accessing these good jobs.

We appreciate the last solicitation's criteria for diversity, equity, and inclusion – particularly the requirement that bidders submit a Diversity and Inclusion Plan, specifically highlighting plans for workforce and supplier diversity. We believe that these plans should hold significant weight in the evaluation process to drive competition and increase access to opportunity within the offshore wind industry. We note the success of the MassPort Model, which allocated 25% of the scoring to these plans.

We are thrilled that *An Act Driving Clean Energy and Offshore Wind* included an accountability and reporting mechanism for DEI plans within MassCEC, and encourage DOER to require bidders to communicate their strategy for meeting the goals of this project and the good faith efforts they will make to address challenges as they arise. Project labor agreements (PLAs) or community benefits agreements can also be tools to create economic opportunities for environmental justice communities and communities of color. For example, the Vineyard Wind PLA included a goal for Black, Indigenous and People of Color to represent 20% of the onshore workforce and women to be 10% of the workforce.

8. ***Environmental Justice: How could 83C Round 4 be designed to best encourage project design and investments that avoid negative impacts on, and direct positive benefits of the project to, Environmental Justice (EJ) communities? Please refer in particular to Appendix J of 83C Round 3 and to the relevant provisions in Section 61 of* An Act Driving Clean Energy and Offshore Wind.**

We commend the inclusion of detailed guidance regarding Environmental Justice impacts as a baseline expectation. While the focus on mitigating harm is critically important, we urge that bidders also be required to provide initial details on the benefits they will deliver to Environmental Justice populations, including any planned in-state spending that will support Environmental Justice populations by providing jobs, grants, training programs, or environmental benefit projects to address historical and cumulative impacts in economically disadvantaged communities.

To ensure that these important endeavors get the attention they deserve, we recommend that the solicitation details how these plans will be weighted in the evaluation process, and explicitly incentivizes greater detail and larger commitments.

9. ***Environmental and Fisheries Impacts: How could 83C Round 4 be designed to best encourage project designs that avoid, minimize, and mitigate negative impacts on the environment and fishing industry? Please refer in particular to Appendix J of 83C Round 3 and to the relevant provisions in Section 61 of* An Act Driving Clean Energy and Offshore Wind.**

In 83C Round 3, we appreciated the inclusion of Appendix J and the increased level of detail it provided, relative to past solicitations, to help ensure a baseline set of expectations for the mitigation and monitoring of impacts to marine wildlife and habitat; data transparency; stakeholder engagement; and compliance and consistency with the Massachusetts Ocean Management Plan and other state and regional ocean management plans. Our recommendations aim to provide further clarity on necessary requirements to ensure selected bids are positioned for successful permitting and to avoid, minimize and mitigate environmental impacts to the greatest extent practicable.

As stated above, we call for transparency in the evaluation process and for environmental impact mitigation plans of the highest quality possible at the time of bidding to be given significant weight in the selection process. This aligns with the requirement in *An Act Driving Clean Energy and Offshore Wind* (Ch. 179 of the Acts of 2022) that the department give preference to proposals that demonstrate benefits from "mitigation, minimization, and avoidance of detrimental environmental and socioeconomic impacts."

As further detailed in *An Act Driving Clean Energy and Offshore Wind* the solicitation should require submission of a draft environmental and fisheries mitigation plan, which should include, but not be limited to: "a detailed description of the best management practices and any on-site or off-site mitigation the applicant shall employ, informed by the latest science at the time the plan is made, that will avoid, minimize, and mitigate impacts to: wildlife, including but not limited to threatened or endangered species such as North Atlantic right whale; coastal and marine habitats; natural resources; ecosystems; and traditional or existing water-dependent uses, including, but not limited to, commercial and recreational fishing. The plan shall include preconstruction and post construction monitoring to understand the effects of facilities on marine and avian species."

The solicitation should include a standard outline and guidance for the content of these plans, developed with input from the relevant state environmental agencies (Massachusetts Executive Office of Energy and Environmental Affairs (EEA), Massachusetts Environmental Policy Act Office, Coastal Zone Management (CZM), Massachusetts Division of Fisheries and Wildlife, Division of Marine Fisheries, Natural Heritage and Endangered Species Program, Department of Environmental Protection). Recognizing the short timeline the state has available to develop this guidance, coordination through CZM and EEA's Habitat Working Group on Offshore Wind Energy could be an efficient way to gather input from relevant federal and state agencies, external experts, and industry.

The plan must also include robust monitoring before, during, and after construction to understand the potential adverse effects of development, operations, and decommissioning on fisheries, marine habitat, marine and avian wildlife species, sea turtles, bats, and terrestrial migratory birds.

In addition, contract terms should require that offshore wind developers use adaptive management strategies in response to monitoring results, such that new technologies can be incorporated to better monitor interactions and minimize detrimental impact for the operational life of the project. The duration of the monitoring and mitigation plan for each project should correspond to the full life of the project, through construction, operation, and decommissioning.

An Act Driving Clean Energy and Offshore Wind requires that evaluators produce a numeric score for each bid's plans for financial and technical assistance to support wildlife habitat and monitoring. We urge you to make explicit in the final solicitation how this numeric score will be weighted in the selection process and that it accounts for no less than 5% of selection criteria. The solicitation should set a minimum requirement that bidders provide a $10,000-per-megawatt contribution to regional research and monitoring efforts to inform strategies to avoid and mitigate any adverse impacts to the marine environment, as recently and consistently required in offshore wind solicitations in New York and New Jersey. DOER should work in consultation with EEA's Habitat and Fisheries Working Groups to determine how the funds will be used to advance the responsible development of the offshore wind energy industry, not necessarily the proposed project.

We appreciate the requirement for compliance and consistency with state and regional ocean management plans and wish to underscore that analysis of environmental impact mitigation plans should be based on quantitative and qualitative evaluation criteria that are developed through robust

stakeholder engagement and utilize the best available science, including but not limited to the following comprehensive databases: Northeast Ocean Plan (Northeast Ocean Data Portal), the Massachusetts Ocean Plan (Massachusetts Ocean Resources Information System) and the Rhode Island Ocean SAMP. Finally, proposals should include an appropriate suite of mitigation measures for the critically endangered North Atlantic right whale as well as other protected species (e.g., Roseate Tern and Piping Plover), tailored to the specific project site and based on the best available science. The monitoring and mitigation plans should include state-level listings and species of conservation concern, in addition to any federal wildlife concerns the project will be addressing through the federal permitting processes.

We thank you for your consideration.

Sincerely,

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