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By email to Marian.Swain@mass.gov

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100 Cambridge St.
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Subject: **Massachusetts Section 83C Round 4 Offshore Wind Solicitation**

Deputy Director Swain:

RENEW Northeast, Inc. ("RENEW")[1] submits these comments in response to the Department of Energy Resources' ("DOER") request for comment on the Section 83C Round 4 Offshore Wind Solicitation. RENEW thanks DOER for its work preparing questions about the RFP and for giving the public an opportunity to comment.

Questions 1 – 3. Procurement Size, Schedule, and Commercial Operation Date.

RENEW refers DOER to the individual comments of its members on these topics.

Question 4. Transmission

DOER seeks feedback on how the Round 4 RFP can be designed to maximize efficient use of the onshore transmission system and how it might be integrated with ongoing regional transmission initiatives. RENEW strongly supports the recent efforts of the New England States

[1] The comments expressed herein represent the views of RENEW and not necessarily those of any particular member of RENEW. 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 policy goals including those found in state Renewable Portfolio Standards and Global Warming Solutions Acts.

to work cooperatively on regional onshore and offshore grid planning to ensure the most cost-effective and reliable deployment of offshore wind resources. Its members, though, have a variety of positions on this topic and individual members may submit comments separately on this matter. RENEW understands DOER has authority until September 30, 2023, under Section 70 of Chapter 179 of the Acts of 2022 to procure transmission alone or with other States to meet the Commonwealth's offshore wind and decarbonization goals. As affirmed in subsection (d) of the Act, a transmission procurement or transmission planning process, though, is not mandated as part of the Section 83C procurement. This transmission planning process should not delay the issuance of the Round 4 solicitation as required by Section 83C.

RENEW stands for offshore wind transmission development policies that: (1) are most likely to enable responsible development of offshore wind at the lowest cost and risk to ratepayers; (2) give the leaseholders and independent transmission developers discretion on interconnection points for them to select the most cost-effective, environmentally friendly, and reliable interconnection for their projects; (3) maintain existing contractual arrangements; (4) recognize the situation of generation projects in advanced permitting and interconnection queue processing; and (5) achieve near term state offshore wind goals while enabling full development of the Northeast's offshore wind resource.

RENEW recommends DOER work with developers, other states, and stakeholders on a transmission planning process. This process will be essential to meet effectively and efficiently Governor Healey's stated goal of doubling Massachusetts' 5.6-gigawatt offshore wind requirement and meeting the Commonwealth's climate goals. Offshore wind delivery systems can be designed in a range of ways including generator lead lines, expandable generator tie-lines allowing a shared network to be built in stages all the way, and a large shared or meshed network scaled for future offshore wind generation growth.[2] As many RENEW members have been working for years on transmission solutions for their current projects, DOER will need to take that into consideration. It will also need to consider how, according to ISO New England ("ISO-NE"), others will face challenges interconnecting to the existing transmission system which will be unable to accommodate the future large quantities of renewable energy required by the New England States' climate and clean energy policies without significant upgrades.[3] A separate transmission planning process can analyze these options, determine the costs and benefits, and identify the best approaches to meet future offshore wind demand. Any transmission process should be well-understood, transparent, and clear to bidders.

For any future transmission upgrades being considered by the States, Massachusetts and the other New England States should request ISO-NE reevaluate and update its single contingency loss of source limit placed on new interconnections. ISO-NE restricts new interconnections to a 1,200-MW single contingency loss of source limit to protect neighboring

[2] *See* ABB, Inc., *National Offshore Wind Energy Grid Interconnection Study* 23-24 (July 30, 2014).
[3] ISO-NE, *2019 Economic Study Offshore Wind Transmission Interconnection Analysis* 4 (June 17, 2020), https://www.iso-ne.com/static-assets/documents/2020/06/a4_2019_economic_study_offshore_wind_transmission_interconnection_analysis.pdf

control areas from the impact of losing too much supply at once.[4] Given the scale at which new clean energy development will be taking place, as seen in the 2050 Transmission Study, the region should explore all options to enable building fewer, larger transmission facilities to improve cost effectiveness while reducing environmental impacts. So long as offshore wind continues to interconnect using radial cables, the existing 1,200-MW limit would, for example, require at least seven separate undersea circuits to interconnect 8,000 MWs of offshore wind to southeast New England.[5] If the 1,200-MW limit on new interconnections were raised to 1,600 MWs, five undersea circuits could be sufficient to interconnect 8,000 MWs. Allowing for these larger interconnections could allow offshore wind projects to capture further economies of scale, reduce total costs to consumers, and reduce environmental impact to the region.[6]

Based on the annual reports ISO publishes on external interface metered data, the Phase I/II tie line between ISO-NE and Hydro Quebec, which is rated at 2,000 MW, operated above 1,200 MW in approximately 93 percent of hours in 2021.[7] Clearly, the region and its neighboring systems are regularly able to manage a loss of source in New England that exceeds 1,200 MW, even if this is not possible in all hours. Given the increasing frequency with which ISO-NE has been able to reliably allow existing resources to operate above 1,200 MW, the region should revisit the need to restrict new interconnections to 1,200 MW. Any new resource over 1,200 MW could, in the short term, be subjected to the same operational limitations placed on existing resources over 1,200 MW to maintain system reliability. Even with such operational restrictions, it may still be financially and environmentally advantageous to the region to be able to interconnect new resources using fewer radial transmission lines.

Question 5. Inflation, Supply Chain, and Macroeconomic Factors

Bidders should be required to propose a price that will be subject to the adjustment at the time the Bureau of Ocean Energy Management issues approval of a project's Construction and

[4] ISO New England Planning Procedure No. 5-6 Interconnection Planning Procedure for Generation And Elective Transmission Upgrades, Appendix A "Interconnection Design – Loss-of-Source: The interconnection shall be designed such that, with all lines initially in service, there is no normal design contingency or common mode transmission system, station, or internal plant failure which could result in a net loss of more than 1,200 MW of resources, except in the case of an increase of no more than 2% above the maximum capability, in place at the time of the original incorporation of this provision into PP5-6 in June 2016, of an existing facility that already corresponded to a loss of more than 1,200 MW of resource for a normal design contingency."

[5] For example, when ISO performed the first cluster study for interconnecting Northern Maine wind generation, the cluster size was limited to 1,200 MW despite approximately 2,000 MW of wind being in the queue in that area at the time. When ISO evaluated the transmission needs for interconnecting offshore wind as part of the NESCOE 2019 offshore wind economic study, each undersea circuit bringing power to shore was limited to a maximum of 1,200 MW.

[6] *See e.g.*, Dr. Biljana Stojkovska, presentation to New England Energy Vision Transmission Planning Technical Forum (February 2, 2021), https://newenglandenergyvision.com/transmission-planning). (Optimized transmission planning in the United Kingdom would in some cases utilize 1,500 to 1,800-MW HVDC cables to interconnect offshore wind. Utilizing these larger circuits resulted in lower costs and reduced environmental impact by reducing the number of circuits needed).

[7] External Interface Metered Data available at https://www.iso-ne.com/isoexpress/web/reports/grid/-/tree/external-interface-metered-data.

Operations Plan. The formula and details on indexing should be subject to a stakeholder working group before the RFP is issued.

Question 6. Federal Funding

RENEW strongly supports the States' efforts to secure grant funding under the federal Grid Resilience and Innovation Partnership in the Bipartisan Infrastructure Law §40103(b). The New England States should jointly take advantage of as many programs as possible, including seeking full funding through the State Energy Program and funding of offshore transmission planning and analysis. As potential transmission corridors become clearer, the New England states should also consider applying to DOE for §50152 grants for affected communities. In addition, if it can be done quickly, the States should encourage potential owners and operators of offshore transmission to seek federal funding (such as direct grants or loan guarantees) to reduce ratepayer impacts – particularly where transmission development may precede or parallel offshore wind development. Programs such as the Transmission Facilitation Program could help to ensure that early transmission development can be financed, enabling future offshore wind projects to take advantage of coordinated, open access transmission infrastructure.

A key component of increased reliability and resilience is ensuring that renewable resources can interconnect with the transmission system when ready. In the near term, States should consider using funds to help defray interconnection costs associated with interconnecting offshore wind generation to help ensure that shovel ready projects get built. Although we are waiting for U.S. Treasury guidance, we anticipate interconnection facilities for offshore wind will be eligible for the 30 percent Investment Tax Credit (ITC) under §48 of the Internal Revenue Code, which now has certainty for the next decade through the Inflation Reduction Act.

As the ITC was recently extended at its historical maximum level through 2035, Congress is very unlikely going make further changes. For this reason, RENEW sees no reason to include an adjustment in PPAs for changes to the tax code.

Question 7. Economic Development, Workforce, and Diversity, Equity & Inclusion (DEI)

In the Section 83C III RFP, RENEW supported placing additional weight on public benefits and agreed with the Independent Evaluator that they are likely to have a relatively modest cost compared to the scale of the projects expected to be bid. The economies of scale from larger sized proposals should provide sufficient project savings to overcome the costs from a higher level of public benefits that might otherwise place bids above the price cap. RENEW recommends retaining this higher level of non-price benefits at 25 percent.

The RFP has never provided information on the weighting of non-price criteria. DOER should include the details on the weighting of all 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. The criteria weighting should not be deemed confidential and protected from public disclosure. As with previous Section 83C RFP petitions, e.g., D.P.U. 19-45, no party has ever provided any support for the proposition that disclosure of the criteria will lead to bid manipulation. If developers see the weightings of the scores of criteria, they will learn which criteria are considered more important by their assigned higher weightings and simply tailor their proposals to place more emphasis on the policy objectives having greater importance. In Docket 21-40, the Massachusetts Attorney General's Office stated, the Department of Public Utilities "should direct the EDCs to publish the points associated with the evaluation protocol or, at a minimum, the percentage of maximum points possible for RFP Sections 2.3.2.i, 2.3.2.ii, and 2.3.2.vii relative to other qualitative evaluation criteria."

RENEW supports developers being committed to racial equity and advancing minority economic participation and a requirement that bidders include Diversity & Inclusion Plans ("D&I Plans") with their submissions. RENEW supports the use of Memoranda of Understanding (MOUs) with the selected projects to memorialize and track their commitments to economic development and DEI.

Question 8. Environmental Justice

Offshore wind projects will help reduce emissions from traditional fossil-fueled power plants located in environmental justice communities and help stabilize electricity rates now subject to the volatile of natural gas prices. To maximize environmental justice benefits, DOER should evaluate whether the cost-effective integration of offshore wind could enable more rapid closure of existing fossil fueled power plants (or reduced usage, in the case of peaker plants). This can help to reduce local emissions impacts, which are often concentrated in historically affected communities.

Question 9. Environmental and Fisheries Impacts

In recognition of the primarily federal role in siting and permitting offshore transmission, any environmental or fisheries measures not previous required in Section 83C procurements must avoid adopting any requirements that conflict with federal requirements, or that risk delaying necessary federal regulatory approvals.[8] In the previous Section 93C RFP, Appendix J included additional criteria to be considered in the Non-Price Evaluation pertaining 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

[8] Information about how BOEM promotes environmental protection through responsible, science-based management of offshore wind development is available at American Clean Power, *BOEM Renewable Energy Fact Sheet* (February 26, 2020), https://www.boem.gov/sites/default/files/documents/renewable-energy/BOEM_FactSheet-Renewable-2-26-2020.pdf.

reasonable, protections in place to protect our coastal and marine environment and wildlife. RENEW supported the requirement that each bidder submit a preliminary plan describing the best management practices the bidders commit to employing, informed by the best available science, that will avoid, minimize, and mitigate environmental impacts to marine wildlife and habitat, including but not limited to threatened or endangered species such as North Atlantic right whales; coastal and marine habitats and ecosystems; natural resources; benthic resources and essential fish habitat; and birds. The plan should also include robust monitoring before, during, and post-construction to fully understand the potential adverse effects of development, operations, and decommissioning on marine habitat and wildlife.

Question 10. Other

The proposed PPA should be available for review prior to issuance of the RFP

Previous releases of the draft RFPs have not included a draft of the PPA. RENEW recommends a copy of the PPA be provided for stakeholder comment before issuing the final RFP. Prior review might minimize the negotiation phase by addressing issues ahead of time. If as anticipated the PPA is an evolution of previous renewable energy contracts issued in Massachusetts and neighboring states, bidders are likely only to comment on any changed provisions rather than the entire PPA. This will reduce burdens on the electric distribution companies to have two phases on contract negotiation.

RENEW supports changes to Section 83C that require DOER review and select winning bids

Section 61 of Chapter 179 of the Acts of 2022 now requires DOER to review, Subsection (b), and select winning bids, Subsection (c). RENEW supports DOER having this role.

Thank you for the opportunity to offer these comments.

Sincerely,

Francis E Pullaro

Francis Pullaro
Executive Director