From: Carlson, David (GE Vernova)
To: Dawson, Austin (ENE)
Subject: 83C Round 4 Indexation Adjustment Comments - GE Vernova
Date: Tuesday, September 5, 2023 3:57:33 PM

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To Austin Dawson (Austin.dawson@mass.gov):

GE welcomes the request from the RFP Drafting Parties to the market for feedback on the MA4 Indexation Policy. GE would like to contribute its thoughts to the overall discussion and hopes that the efforts lead to a standard to be used in the US OFW industry going forward.

As answer to question 1, GE encourages to adopt similar Variable/Fixed rates as historically seen in New York 3/New Jersey auctions of 80% variable, 20% fixed.

Additionally, GE recommends an adoption of Market specific indices for the Labor and Indus components of the indexation formula. Prior auctions have shown usage of general indices such as "All occupations and Jobs" for Labor rather than a market specific Index. Similarly for Indus. Such requirement creates a disconnect with the actual underlying exposure for the developers and their supply chain.

As answer to question 2: GE feels developers are better positioned to answer this question.

As answer to question 3: GE feels developers are better positioned to answer this question.

As answer to question 4: GE feels developers are better positioned to answer this question.

As answer to question 5: GE feels developers are better positioned to answer this question.

As answer to question 6: GE feels developers are better positioned to answer this question.

As answer to question 7: GE discourages the implementation of a cap on the indexation formula. A cap will penalize the commercial viability of projects as it introduces an additional risk both developers and their supply chain will have to consider. As per recently published independent analyses[1], there is a lot of uncertainty in the market due to the commodity and interest rate volatility, including a cap on indexation enforces concerns especially provided within a period of 2022-2023 the commodities specific to the industry have been seen at unprecedented prices.

Best regards,
David Carlson

[1] NYSERDA COMMENTS ON PETITIONS REQUESTING PRICE ADJUSTMENTS TO EXISTING CONTRACTS (https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?

DocRefId=%7B60E03D8A-0000-C93E-8546-90156FB1CFE5%7D)

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