Evaluation Team Response to 83E Round 2 Bidder Questions

RFP Clarifications

Question 1: Section 1.7.2 states proposals remain valid until October 31, 2027, but the Certification and Authorization form (Appendix C) states October 31, 2026 before the anticipated Selection (January 27, 2027) and Contract Execution (April 28, 2027) dates. Please confirm which date governs, and issue a corrected Appendix C if needed.

Answer 1: The October 31, 2027 date is the correct date for which the proposals remain valid until. A corrected Appendix C has been posted to MACleanEnergy.com.

Question 2: Section 1.1 of the RFP identifies the participating Eversource entity as NSTAR Electric Company d/b/a Eversource Energy. Appendix H (Form MOU with DOER), however, identifies the Eversource entity as Western Massachusetts Electric Company d/b/a Eversource Energy. Please confirm which entity is the correct Eversource party for purposes of this RFP and the Form MOU, and whether Western Massachusetts Electric Company has any role in this solicitation. This affects, among other things, bidders' affiliate and conflict-of-interest disclosures under Section 2.2.1.4, which require identification of any relationship with each Distribution Company and its affiliates.

Answer 2: NSTAR Electric Company d/b/a Eversource Energy is the correct company. Appendix H has been corrected in the revised RFP posted on MACleanEnergy.com.

Question 3: Sections 2.2.4 (Unreasonable Balance Sheet Impacts) and 2.10.1 (DPU Regulatory Process) each give a Distribution Company the right to decline to pursue or to terminate a Long-Term Contract. 2.2.4 pre-execution if the contract would place an unreasonable burden on the Distribution Company's balance sheet, and 2.10.1 post-execution/post-DPU-approval if the DPU's approval contains terms the Distribution Company deems unsatisfactory, in its sole discretion. Neither provision addresses what happens to the bidder in either scenario. If a Distribution Company exercises either right, does the bidder receive: (i) return of its Development Security or (ii) any corresponding right of its own to walk away without penalty?

Answer 3: Under the form agreements, which have been provided to bidders, Article 8 (Regulatory Approval) states that the “obligations of the Parties to perform this Agreement, other than the Parties’ obligations under Section 3.3(d), Section 6.1, Section 6.2, and

Article 12, are conditioned upon and shall not become effective or binding until the receipt of the Regulatory Approval." Either party may terminate the Agreement if the Regulatory Approval is not received within 270 days after filing, without liability, subject to the return of the Credit Support provided by Seller; provided, however, that in the event that the Department Order is issued within 270 days after filing and is subject to appeal or rehearing, neither Party will terminate this Agreement while such appeal or rehearing request is pending provided that Regulatory Approval is received within 18 months after the Department Order is issued.

With regard to Sec. 2.2.4 of the RFP, correct, this gives the Distribution Company the right to decline to pursue a contract if the terms and conditions would result in a contract obligation that places an unreasonable burden on the Distribution Company's balance sheet. Since the contract has not yet been executed, no Development Period Security has yet been provided. Negotiations would cease and no contract would be executed.

Distribution Interconnection

eCNRC Status (Capacity Accreditation)

Question 1: For a distribution-connected project with final ISO-NE I.3.9 approval, does the approval letter they provide satisfy Appendix A, Section 6.2 in full, or must the bidder also provide a separate CCIS-equivalent/eCNRC analysis?

Answer 1: Please refer to section 2.2.1.6 of the RFP, which indicates " each proposal must include a realistic and specific plan to implement any transmission system upgrades or other work anticipated to be needed to achieve CCIS-equivalent interconnection, as identified under the ISO-NE Interconnection Procedures process."

Questions 2:

- What specific steps are distribution-level projects expected to take to establish or attempt to establish equivalent Capacity Network Resource Capability (eCNRC) status (e.g., filing a Show of Interest for the Forward Capacity Market, establishing Capacity Accreditation)?
- What level of success at completing these steps is required — is merely attempting/screening sufficient, or must the project actually secure eCNRC status?

- What are the consequences to a project (e.g., scoring, contract eligibility, price) of not successfully establishing eCNRC status?
- Given the ongoing ISO-NE capacity market reform process, how will the RFP's eCNRC requirements adapt if the underlying methodology changes after contract execution?

Answer 2:

- For details regarding the equivalent Capacity Network Resource Capability process, please refer to Section II.48.5 of the ISO-NE Open Access Transmission Tariff; the relevant procedure is ISO-NE Planning Procedure No. 10.
- Section 2.2.1.6 of the RFP describes, in the last paragraph:
  Distribution Projects must include a commitment to take the steps outlined in the ISO-NE tariff to screen for and, if applicable, establish equivalent Capacity Network Resource Capability (eCNRC), as defined in the ISO-NE tariff. Like transmission-level proposals, once a bidder has completed the steps to establish eCNRC, it need not continue to obtain a Capacity Supply Obligation.
- See prior response
- RFP requirements do not change once approved by the Department of Public Utilities. Once the Terms and Conditions for an awarded project are executed, those terms and conditions apply for the entirety of the contract term. The Terms and Conditions for Distribution Resources, section 3.4(b)(i) reads (emphasis added):

  "interconnection facilities and any and all applicable Network Upgrades and Distribution Upgrades are complete and in-service, including those included in the Confirmation, and final acceptance and authorization to interconnect the Facility from ISO-NE, if applicable, and the Interconnecting Utility in accordance with the fully executed Interconnection Agreement and all Interconnecting Utility Rules, and as required to interconnect the Facility at the Interconnection Point at a level that is capable of satisfying the equivalent Capacity Network Resource Capability as defined **under the ISO-NE Rules**;"

  If the ISO-NE rules change prior to the achievement of a project's Critical Milestone, the new ISO-NE rules apply.

Question 3: Section 3.4(b)(i) of the Form Long-Term Contract for Distribution Projects conditions the Commercial Operation Date on interconnection facilities being complete and in service "at a level that is capable of satisfying the equivalent Capacity Network Resource Capability as defined under the ISO-NE Rules." Equivalent CNR Capability is established under ISO-NE Tariff Section II.48.5.2 through a Load Zone deliverability determination and one of two qualification pathways, neither of which is a characteristic of a project's interconnection facilities.

Please confirm what a Distribution Project must demonstrate to satisfy this condition, and whether the condition is satisfied by completion of the interconnection contemplated by the executed Interconnection Agreement.

Answer 3: Please refer to the answer to the prior question.

Interconnection Study Requirement (Appendix A, Section A-6.2)

Question 4:

- Given the cost of an ISO-NE-equivalent interconnection study (mid-five-figures and up), the compressed timeline (due September 10), the limited number of firms capable of producing this analysis, and the overlap with the Affected System Operator study cost, will DOER remove this requirement for distribution-level projects that lack I.3.9 approval?
- If the requirement is not removed, will DOER instead allow projects with such analysis or I.3.9 approval to simply score more favorably, rather than mandating the study for all distribution-level bidders?

Answer 4: Bidders must respond to all RFP questions. Requirements contained in the RFP, which has been approved by the DPU, cannot be changed.

Power Flow Models (Appendix A, Section 6.5)

Question 5: Are distribution-level projects required to submit full power flow model analysis, or is it sufficient for them to identify only the substation bus to which the project will potentially inject power?

Answer 5: Please see Section 6.5 of Appendix A, which requires the bidder to provide the electrical models for both Transmission and Distribution Projects for transmission level power flow analysis of all energy resources supporting the proposed project in accordance with the filing requirements of the ISO-NE Tariff Schedule 22 and 23. Distribution Projects should indicate the substation bus (not feeder) at which injected power is expected. NOTE: Short-circuit, stability, and PSCAD models are not required.

Price Adjustment for Network Upgrade Costs (Section 2.2.1.8)

Question 6:

- Does the price-reduction clause tied to Network Upgrade costs and interconnection costs "collected under the ISO-NE Tariff… or any tariff or other cost recovery mechanism" apply to distribution-level projects, including transmission-level costs socialized through Local Network Service (LNS) rates?
- Will DOER confirm that this clause does not apply to distribution-level projects, consistent with the utilities' prior determination (e.g., in the Capital Investment Project context) that attributing transmission-level upgrade costs to specific distribution-level projects is impracticable?
- If the clause does apply, how and when would any such post-contract price adjustment be calculated and implemented, and how would this affect financeability of already-contracted projects?

Answer 6: The purpose of the price-reduction clause tied to Network Upgrade costs and interconnection costs "collected under the ISO-NE Tariff… or any tariff or other cost recovery mechanism" is to mitigate ratepayers double paying for these upgrades. If in the scenario where it would have been the responsibility of the bidder to pay for them at the time of the bid and thus passed onto ratepayers via the 83E long-term contract, but these costs ultimately get socialized at a later date and ratepayers end up paying for the same cost again but outside the long-term contract, the intent of this clause is to mitigate the risk to customers. This clause applies to all proposals where the developer was deemed responsible for an amount of Network Upgrade costs and interconnection costs. Please refer to the definition of Network Upgrades in the Terms And Conditions For Distribution Resources for further clarity.

ISO-NE Market Participation Requirements

Question 7:

- Are distribution-level projects required or expected to participate in the Continuous Storage Facility market?
- Are distribution-level projects required or expected to participate in the Day-Ahead Ancillary Services Initiative (DASI)?
- Can a project under the 5 MW threshold opt to operate instead as a Settlement Only Generator?
- Will DOER confirm that these forms of market participation are optional for distribution-level projects, consistent with the optional treatment of obtaining a Capacity Supply Obligation?

Answer 7: The RFP includes all eligibility and threshold requirements for Distribution Projects.

Surplus Interconnection Service (SIS)

Question 1:

- **Cost responsibility.** Section 2.2.1.8 makes the bidder responsible for the costs of interconnecting its project to the PTF at both the NCIS- and a CCIS-equivalent level. Please confirm that this cost responsibility does not apply to a project interconnecting under an SIS arrangement, and that such a project is responsible only for the costs arising from its SIS arrangement.
- **CCIS-equivalent** upgrade completion. Section 2.2.1.8 requires the bidder, regardless of its CSO election, to complete any upgrades identified in the ISO-NE Interconnection Procedures to interconnect at a level equivalent to CCIS. Please confirm that this requirement does not apply to a project utilizing an SIS arrangement.
- **Full-delivery demonstration.** Section **2.2.1.8** requires bidders to demonstrate that their proposed point of delivery, along with their proposed interconnection and transmission or distribution upgrades, is sufficient to ensure full delivery. Please confirm that a project utilizing an SIS arrangement that requires no new

interconnection or upgrades may make this demonstration without proposing any upgrades.

- **Interconnection Request demonstration**. Section 2.2.1.8 requires all Transmission Project proposals to demonstrate submission of a valid Interconnection Request for Capacity Network Resource Interconnection Service, or a commitment to submit one in the Cluster Entry Window for the next available ISO-NE Cluster Study. Please confirm that a valid Surplus Interconnection Service request, or a commitment to submit such a request, satisfies this requirement for a project bidding under the SIS pathway.
- **Study standard for projects without I.3.9 approval.** Section 2.2.1.8 requires projects without I.3.9 approval to include an ISO-NE Feasibility Study or a third-party study performed in accordance with the Network Capability Interconnection Standard. Please confirm that, for a project utilizing an SIS arrangement, this study requirement is not applicable.
- **QDN study requirement.** Section 2.2.1.8 requires all projects without a Qualification Determination Notification for their proposed capacity amount and commitment period to provide a study proving ability to interconnect at the Capacity Capability Interconnection Standard. Please confirm that this requirement does not apply to a project utilizing an SIS arrangement.
- **Queue scenario analysis.** Section 2.2.1.8 strongly encourages proposals to include a scenario analysis showing how changes in the project interconnection queue could impact interconnection costs under current ISO-NE interconnection rules. Please confirm that this scenario analysis is not expected for a project utilizing an SIS arrangement.

Answer 1:

- Surplus Interconnection Service (SIS) applicants will be studied by ISO-NE using the process described in Schedule 22, Section 3.1 of the ISO-NE Open Access Transmission Tariff. Since the aim of ISO-NE's Surplus Interconnection Service process is for the applicant to operate within the existing interconnection capability (i.e., Unused Capability) of the Original Interconnection Customer, then any determination by ISO of a need for additional Network Upgrades would be considered a failure of the application under SIS.
- Surplus Interconnection Customers (SIC) participating in the 83E Round II solicitation must demonstrate that they will be able to utilize SIS to interconnect at either an NCIS or CCIS-equivalent level of Surplus Interconnection Service. The SIC must show that it is capable of obtaining SIS under an Original Interconnection

Customer (OIC) by including all information required in Appendix C to Attachment 1 of Schedule 22 to the ISO-NE Open Access Transmission Tariff. Because Surplus Interconnection Service Request Applications are not limited to the defined Cluster Request Windows, SIC bidders must have a valid active Surplus Interconnection Service Request Application filed with ISO-NE. Such information must demonstrate that (1) the SIC is capable of interconnecting at the NCIS- or CCIS-equivalent standard at or below the Unused Capability of the OIC and (2) the requested level of Surplus Interconnection Service will not trigger any Network Upgrades, including any transmission studies and/or models to support this demonstration.