

September 21, 2022

RI-NE4OSW Partners:

Acadia Center
BlueGreen Alliance
Clean Water Action
Environment America
Green Energy Consumers Alliance
League of Conservation Voters
National Wildlife Federation
NASRCC (Carpenters)
PowerOptions
Second Nature
Sierra Club

RI-NE4OSW Endorsers:

Eastern Bank
Environmental Council of Rhode Island
Flashover LLC
Greenwater Marine Sciences Offshore
Muggventures
Rhode Island Building Trades

Allies:

Audubon Society of Rhode Island
Climate Jobs Rhode Island
Conservation Law Foundation
The Nature Conservancy

Submitted Electronically via PUC.PublicComments@puc.ri.gov

State of Rhode Island
Public Utilities Commission
Attn: Luly E. Massaro, Commission Clerk
89 Jefferson Boulevard
Warwick, Rhode Island

RE: Comments on OSW Docket 22-22-EL – The Narragansett Electric Company Draft Request for Proposals for Long-Term Contracts for Offshore Wind Energy Pursuant to the Affordable Clean Energy Security Act R.I. Gen. Laws Chapter 39-31

Dear Commissioners,

We are a diverse group of advocates, associations, and institutions eager for Rhode Island to advance large-scale offshore wind as swiftly as responsible development will allow. We respectfully submit the following comments on the draft Request for Proposals for Long-Term Contracts for Offshore Wind Energy.

Our comments underscore a need for greater specificity, stringency, and transparency in the evaluation process to ensure Rhode Island advances projects that will maximize environmental and socioeconomic benefits.

We recommend increasing the points allocated for non-price factors from 25 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 also call for transparency in the evaluation process. We are concerned that the public and valued stakeholders to this process will not have an opportunity to see or comment on the "relative importance of each of the criteria in terms of the scoring of the bids." Knowing the weight (i.e., relative importance) assigned to each of the criteria by the Commission will allow stakeholders to understand why certain bids scored higher than others, especially with respect to the qualitative factors designed to impact and benefit them. We urge the Commission to require the specific scoring and weighting of each factor in the evaluation

to be open and transparent, rather than submitted to the Commission under seal as stated in section 2.3 of the RFP.

Further, as detailed below, we urge you to increase the weight afforded to the non-price factors to 50%, and to include 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.¹

Eligibility, Threshold, and Minimum Requirements

Minimum/Maximum Contract Size – 2.2.2.5

We enthusiastically support the procurement scale of 600-1,000 MW as required by the Affordable Clean Energy Security Act (ACES). Larger projects will not only have the greatest impact in terms of reducing greenhouse gas emissions, but they will also drive greater economic and workforce benefits for Rhode Island. In order to maximize the climate and economic benefits of this solicitation, we urge the distribution company and the Commission to select a project or projects that reach the maximum procurement amount of 1,000 MW allowed under this statute.

Interconnection and Delivery Requirements – 2.2.3.4

Optimized interconnection and regional transmission are of utmost importance to increase reliability, minimize costs, and minimize impacts on the environment and coastal communities. We recommend that the RFP require all bidders to describe how proposals would be affected if the Eligible Facility is connected to regionalized offshore transmission facilities and describe provisions included in bids that would enable potential use of regionalized offshore transmission facilities. Having this information will best enable the Commission to evaluate the merits of potentially interconnecting wind farms solicited through this procurement with regionalized offshore transmission facilities considered through the Request for Information (RFI) released by 5 New England states on September 1st. It would also encourage bidders to design their projects to enable potential use of shared transmission if it becomes available. In the event that regionalized offshore transmission facilities do not become available before the operation of the Eligible Facility, the RFP should require bidders to identify other optimized transmission and interconnection approaches such as coordination with other offshore wind projects.

Commitment Agreement – Transmission – 2.2.4.4

We appreciate that the draft RFP requires bidders to execute a Commitment Agreement to negotiate a transmission service agreement with the owner of regional transmission facilities, should regionalized offshore transmission facilities become available to the bidder prior to the commercial operation date for its facility. As mentioned above, this commitment is of utmost importance following the states' RFI for regional energy transmission infrastructure. If regional transmission infrastructure becomes available,

¹ Responsible development of offshore wind energy is development that avoids, minimizes, and mitigates impacts to ocean wildlife and habitat, traditional ocean uses, and environmental justice communities, meaningfully engages stakeholders from the start, uses the best available science and data to ensure science-based and stakeholder-informed decision making, and maximizes the use of domestic content and creation of quality, high-wage job creation in all phases of development.



requiring the selected offshore wind project(s) to connect to it would increase grid reliability and efficiency while decreasing costs and impacts of transmission of offshore wind power.

Quantitative Evaluation – 2.3.1

Energy Storage

Offshore wind may supply half of the energy on New England’s electricity grid by 2050.² The Office of Energy Resources (OER) and the distribution company should begin planning now for the optimization of these wind resources by allowing offshore wind generation proposals to be paired with energy storage systems that demonstrate the most value for Rhode Island ratepayers (e.g., by following the state’s anticipated load shape or delivering on peak). We recommend considering the direct benefits of any applicable energy storage system in the quantitative phase of evaluation in section 2.3.1.2, valuing this factor appropriately.

Non-Price Evaluation – 2.3.3

We disagree with the draft RFP’s characterization of the non-price criteria – required by ACES – as “designed to assess the likelihood of a project coming to fruition,” or reflective of an “increased emphasis on economic benefits to Rhode Island, in particular.” The legislative directive to consider non-price criteria is designed to ensure that when assessing the commercial reasonableness of a project, other important criteria that will undoubtedly impact the project price are accounted for and properly weighted.

Section 2.3 of the draft RFP states that “the increase for non-price factors from 20% in the 2018 Rhode Island RFP to 25% in this RFP reflects an increased emphasis on economic benefits to Rhode Island, in particular.” If the 5% increase is attributable only to an increased emphasis on economic benefits, the draft RFP is missing the mark and not complying with the requirement in ACES to fully consider other relevant non-price factors. We recommend that the overall weight afforded to the non-price factors be increased from the 25% proposed in the draft RFP to 50%. This way, bid evaluators will be authorized to afford appropriate weighting to environmental impacts, greenhouse gas reductions, and the sections included in this letter, including but not limited to diversity, equity, and inclusion (DEI), environmental justice, and community benefits. These factors and other factors listed below should receive significant weight in the non-price evaluation of bids.

We believe it is critical that the RFP makes explicit the baseline requirements that all projects must meet; that developers should be required to submit detailed plans for how they will achieve them; and that bidders will be incentivized to demonstrate meaningful attention to these critically important factors and go above and beyond the minimum standards to ensure that projects are creating net benefits for the environment and for communities.

Specific Diversity, Equity and Inclusion Plan Measures

ACES requires that offshore wind RFPs include a DEI plan that, at a minimum, provides the bidder’s proposed strategy to enable access to employment and vendor opportunities for historically marginalized communities. We encourage you to build on the language in the draft RFP to ensure

² Weiss, Jürgen and Hagerty, John Michael, “Achieving 80% GHG Reduction in New England by 2050,” *The Brattle Group*, slide 11, https://www.brattle.com/wp-content/uploads/2021/05/17233_achieving_80_percent_ghg_reduction_in_new_england_by_20150_september_2019.pdf



accountability, such as by establishing a process for the ongoing evaluation of commitments made in selected bids, including by requiring successful bidders to provide regular updates and statistics regarding their progress towards achieving or improving upon those commitments.

We also encourage the Commission to consider evaluating DEI plans based on respondents' plans to solicit investment from minority and disadvantaged investors, in addition to their plans for workforce and supplier diversity. Bidders should also be encouraged to pursue inclusive and accessible contracting processes, including but not limited to committing to supporting businesses interested in applying, publishing opportunities in diverse forums with ample time to apply, and working with the state to proactively recruit minority-owned businesses with transferrable skills to participate in the supply chain.

Environmental Justice

We urge the distribution company to require environmental justice plans that outline potential impacts, both positive and negative, on environmental justice populations³ and host communities. These plans should include assessments of cumulative environmental impact. In addition, they should include the following, as required in the latest Massachusetts RFP:⁴

- Demonstrated plans or investments to avoid, minimize, and mitigate environmental burdens and other negative impacts from the project on affected groups and environmental justice populations.
- Plans to engage with affected communities through targeted outreach and education events, including identified partnerships with existing environmental justice organizations.
- Strategy plan to track and report on the status of environmental justice impacts, engagement and employment (training, recruitment, and hiring goals) opportunities. Strategy plans may include a commitment with a government entity to share said tracking and reporting.

In addition to plans to engage with affected communities, we urge you to specifically require demonstrated productive engagement and consultation with tribal nations, including but not limited to the Narragansett Indian Tribe.

Community Benefits and Supply Chain

The development of offshore wind can provide important and much-needed support to communities throughout Rhode Island. Community benefit agreements and project labor agreements (PLA), designed in coordination with organized labor and local community organizations, help ensure that a project's contribution to local communities is maximized and that local communities are supportive of the project. Participation in a community benefit agreement and PLA can deliver commitments such as local hiring and construction apprenticeship pathways, coupled with purchasing from the local supply chain. In addition, investments in ports should be required and valued in the contract evaluation process. Ideal community benefit agreements ensure that projects support additional resiliency measures, mitigate energy burden, encourage domestic supply chain development, and prioritize underserved markets. Ideal PLAs with local building trade unions ensure a supply of local, trained, and highly skilled construction workers and is a proven construction delivery method in the offshore wind industry.

³ See Rhode Island Department of Environmental Management's interactive map identifying Environmental Justice areas: <https://dem.ri.gov/environmental-protection-bureau/initiatives/environmental-justice>

⁴ "Request for Proposals for Long-Term Contracts for Offshore Wind Energy Projects." Massachusetts Department of Energy Resources, May 7, 2021. <https://macleanenergy.files.wordpress.com/2021/05/83c3-rfp-and-appendices-final.pdf>



While bidders should prioritize creation of local jobs for Rhode Islanders, domestic supply chain commitments should also be weighted in bid evaluation. Utilizing domestic content can help to ensure projects are built on time, avoiding bottlenecks in global supply chains as offshore wind targets soar throughout Europe, Asia, and South America. Domestic content requirements are unlikely to influence offshore wind capital costs.⁵ Domestic content requirements also have equity implications. Data show that decline in U.S. manufacturing has been devastating to the middle-class, especially for Black and Hispanic workers and other workers of color who disproportionately do not hold college degrees and experience discrimination limiting access to better paying jobs.⁶

Manufacturing wages are substantially higher for median-wage, non-college educated employees.⁷ Domestic content requirements can also reduce the overall impact on the environment because U.S. energy intensive manufacturers are relatively clean compared to international competitors. As one example, “[s]teel exporters to the U.S. emit 50-100+% more CO2 emission per ton than U.S. producers on average.”⁸ Use of domestic content can also reduce shipping distance and thus emissions resulting from long-distance maritime transportation. The International Maritime Organization estimates that maritime shipping generated 1 billion tons of greenhouse gases per year from 2007-2012.⁹

We urge the Commission to give preference to bidders with clear commitments to maximizing opportunities for our local workforce and port resources as well as use of local and domestic content. This approach is consistent with ACES, which requires that all approved projects provide specific and measurable economic benefits to the state of Rhode Island.¹⁰ We agree with the language in the draft RFP that requires non-price economic benefits to be specific and measurable and supported by documentation from an independent party, and for bidders to detail economic benefits, in-state expenditures, and employment proposed during all phases of the project. These commitments should be made publicly available to the highest degree permissible by law, and progress towards them should be tracked and available to the public.

Low-Income Ratepayer Benefits

We encourage the Commission to add demonstrated direct benefits to low-income ratepayers to the evaluation of proposals. These benefits should include but are not limited to:

- Projects that reduce the energy burden for low-income ratepayers through energy efficiency or renewable energy upgrades.
- Direct funding of rate relief through grant programs, support of existing community programs, or other funding opportunities.

⁵ Erin N. Mayfield and Jesse D. Jenkins, *Working Paper: Influence of High Road Labor Policies and Practices on Renewable Energy Costs, Decarbonization Pathways, and Labor Outcomes*, April 13, 2021. Available online:

https://www.dropbox.com/sh/ad9pzifo9w1a49u/AAC2milGD44MlwXo1Sk7EAgSa?dl=0&preview=Working_Paper-High_Road_Labor_and_Renewable_Energy-PUBLIC_RELEASE-4-13-21.pdf

⁶ Robert E. Scott, Valerie Wilson, Jori Kandra, and Daniel Perez: *Botched policy responses to globalization have decimated manufacturing employment with often overlooked costs for Black, Brown, and other workers of color*, at page 2. (January 31, 2022).

Available online: <https://files.epi.org/uploads/239189.pdf>

⁷ *Ibid*, at 3

⁸ CUR Consulting, *Leveraging a Carbon Advantage: Impacts of a Border Carbon Adjustment and Carbon Fee on the US Steel Industry*, 2021. Available Online: <https://clcouncil.org/reports/leveraging-a-carbon-advantage.pdf?v1>

⁹ “Calculating Maritime Shipping Emissions Per Traded Commodity,” Stockholm Environment Institute (April 2019).

¹⁰ R.I. Gen. Laws § 39-31-7.



Environmental Impacts

The requirement that companies provide environmental and fisheries mitigation plan measures in their bids is a minimum baseline for environmental and fisheries mitigation. The draft RFP should incentivize companies to minimize the impacts and maximize the benefits of their projects on the marine environment by appropriately weighting these plans in evaluation. For example, if encouraged to do so, companies could establish goals for positive biodiversity benefits; clean transportation and vessels to reduce emissions during construction and operations and maintenance; and funding for coastal resiliency.

For this reason, it is not enough to award points or credit only the inclusion of legally required minimum measures, but also to evaluate all of the bidders' proposed measures included in those plans. Projects that submit robust and well-developed plan measures should not be disadvantaged because those mitigation plans add to the overall project cost. The value of the proposed measures in reducing and offsetting environmental impacts should be given significant weight in the selection of winning bids. We consider this essential to incentivizing and sustaining a responsible offshore wind industry that is continuously improving its ability to avoid, minimize, and mitigate negative impacts and to provide long-term benefits to the environment and communities in innovative ways. Given its importance, our recommendations aim to provide clarity on necessary requirements to ensure all selected bids are positioned for successful permitting.

We urge you to require environmental impact mitigation plans that include, but are not limited to: explicit descriptions of best management practices, and any mitigation (on- or off-site) the bidder commits to employing, informed by the best available science that will avoid, minimize, and mitigate impacts to: wildlife, 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 traditional or existing water-dependent uses. 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 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 fatalities of birds for the operational life of the project. Monitoring displacement is also critical and should cover more area than would be necessary for a simple site assessment; instead of determining species present, monitoring for displacement should be able to detect fine scale differences in spatial use by birds before and after project construction and operation.

Bidders should be required to provide financial and technical assistance to support robust monitoring of wildlife and habitat through a minimum \$10,000/MW contribution to regional research and monitoring to inform strategies to avoid, minimize, and mitigate any adverse impacts to the marine environment, as recently required in offshore wind solicitations in New York and New Jersey. Well-funded monitoring programs can help us know where the most important areas are for birds and other wildlife and can help us make decisions about where to build future offshore wind so that we can meet our clean energy targets while still protecting the birds and other wildlife we cherish. The Department of Environmental Management, in consultation with OER, the Coastal Resources Management Council, and the Habitat and Fisheries Advisory Boards, should determine how the funds will be used.



Analysis of environmental impact mitigation plans should be based on evaluation criteria that are developed through robust stakeholder engagement and use 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. The University of Rhode Island's surveys, characterizing bird use offshore Rhode Island, conducted under the Ocean SAMP, ensured that the Block Island wind farm and the proposed Revolution Wind project did not include the areas most critical for marine birds.

Finally, proposals should include an appropriate suite of mitigation measures for the critically endangered North Atlantic right whale as well as other protected species, tailored to the specific project site and based on the best available science.

Municipal Aggregation

We recommend giving preference to offshore wind projects that include additional procurements by municipal aggregations, government entities, businesses, or large non-profit organizations. Currently, only utility companies have access to the affordable, clean power of offshore wind. Giving preference to projects that would include these additional contracts would enable other entities to play a key role in decarbonization efforts in Rhode Island.

Thank you for your consideration.

Sincerely,

Larry Chretien

Green Energy Consumers Alliance

Chair, Rhode Island State Committee

New England for Offshore Wind

