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October 7, 2022

By email to PUC.PublicComments@puc.ri.gov

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Subject: Comments on OSW Docket 22-22-EL

Ms. Massaro:

The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or “Company”) filed with the Rhode Island Public Utilities Commission (“Commission”) on September 6, 2022, a draft Request for Proposals (“RFP”) for Offshore Wind Energy pursuant to the recent amendments to the Affordable Clean Energy Security Act (“ACES”), R.I. Gen. Laws Chapter 39-31. Pursuant to the September 10, 2022, Notice to Solicit Comments and Public Hearing, RENEW Northeast, Inc. (“RENEW”) submits these comments to offer its support of the issuance of the solicitation and its feedback for modifications to the proposed RFP language.¹ RENEW appreciates the work of the Company to develop the RFP and the contributions of the Rhode Island Office of Energy Resources (“OER”) and the Rhode Island Division of Public Utilities and Carriers (“Division”) in providing the Company with their suggestions.

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 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 Rhode Island’s policies that will increase energy reliability, promote economic development, achieve the renewable energy policy requirements set in ACES and the Renewable Energy Standard (“RES”), R.I. Gen. Laws Chapter 39-26-4, and realize the greenhouse gas reduction targets as specified in chapter 6.2 of title 42 (the “2021 Act on Climate”).

¹ The comments expressed herein represent the views of RENEW and not necessarily those of any particular member of RENEW.

Financial remuneration and incentives

Section 2.6 of the RFP states that if “the PUC determines post-approval that the Company may not recover either the net costs of the PPA or remuneration, or both, going forward, the Company’s obligations to purchase energy and associated RECs pursuant to the PPA will cease.” This payment termination provision clause could impose a major risk for project developers that could result in higher risk premiums placed into bids at great cost to consumers. It could result in developers choosing not to submit bids resulting in either no bids or significantly reduced competition in this solicitation. RENEW supports the Company’s plans, as stated at the September 21, 2022, Public Hearing, to eliminate this provision from the final contract.

Schedule for the Bidding Process and Proposal Certification

Section 2.2.4.1 requires bidders to provide firm pricing for 260 days from the date of bid submission. In the last Massachusetts offshore wind RFP, firm pricing was required for 193 days reflecting the length of time from the bid submission deadline of September 16, 2021, to the deadline of March 28, 2022, to execute PPAs.

In the Company’s draft RFP, the firm pricing requirement of 260 days does not match up to the period between those same deadlines. The proposed bid submission deadline is March 13, 2023, and the deadline to execute PPAs is January 15, 2024. That is 308 days. RENEW respectfully requests the Company to explain the significant of the 260 days.

Without any further understanding, RENEW’s position is that a firm pricing period of 260 days is unnecessarily long and should be reduced to 180 days.

Review of the Draft Contract

The RFP does not include the Draft Contract in Appendix E. RENEW recommends the Company provide a copy of the Draft Contract for stakeholder comment before issuing the final RFP. Prior review might minimize the negotiation phase by addressing issues ahead of time. If the Draft Contract is as expected an evolution of previous renewable energy contracts issued in Rhode Island and neighboring states, bidders are likely only to comment on any changed provisions rather than the entire Draft Contract. This will reduce burdens on the Company to have two phases on contract negotiation.

Informative Deliverability Study

Section 2.2.3.4 requires bidders to submit an Informative Deliverability Study according to the criteria defined in Appendix F which has not been included with the proposed RFP. This

document was made available for comment in the most recent Massachusetts offshore wind RFP process and should be made available with this RFP for comment.

It requires bidders complete a study for informational purposes to identify constraints or potential constraints to provide an understanding of general transmission issues. It does not require bidders to identify network upgrades or change other aspects of their bids to address any issues disclosed by the study. Bidders must demonstrate that their proposed point of delivery into ISO New England (“ISO-NE”), along with their proposed interconnection and transmission or distribution system upgrades, is sufficient to ensure full delivery consistent with the proposal’s submitted generation profile.

RENEW observes that ISO-NE’s interconnection requirement, though, does not contain a “no curtailment” standard nor does ISO-NE’s system impact study provide the interconnection customer with information on the level of curtailment that might occur after meeting the interconnection standards. Generators seeking to interconnect to the grid must meet a reliability based minimum interconnection standard for providing “energy only” and in addition must pass the overlapping impact test for providing “energy and capacity”. In both cases, “energy only” and “energy and capacity”, ISO-NE is not required to, nor does it, evaluate potential curtailment and its economic consequences for new interconnecting generators.

It should be recognized that the assumptions used in such studies may not be standard from one to the next and the results are a best-guess outcome for the developer’s given assumptions rather than a definitive determination.

Interconnection and Delivery Requirements

The existing transmission system is unable to accommodate the large quantities of renewable energy required by New England States’ climate and clean energy policies. The problem is growing at an alarming rate. Offshore wind farms proposing to connect to Cape Cod and Southeast Massachusetts are facing hundreds of millions of dollars in costs to upgrade undersized power lines. ISO-NE has determined that integrating additional offshore wind will require long-distance HVDC transmission to demand centers or new onshore high-voltage transmission in new rights of way.² The New England States must work together to build needed transmission projects by running competitive solicitations that maximize competition, minimize costs, and ensure state control over planning and project selection.

ACES authorizes the OER in consultation with the Division and the Company to participate in a regional transmission process. It allows for “the development and issuance of state, regional or multistate competitive solicitation(s) for the development and construction of regional electric-transmission projects that would allow for the reliable transmission of eligible renewable energy resources, including offshore wind.” §39-31-4.

² 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

The September 1, 2022, Notice of Request for Information (RFI) issued by the states of Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island, seek comments on a conceptual framework for a multistate Modular Offshore Wind Integration Plan that could result in the “possibility of states collaborating in a procurement of transmission resources associated with future renewable energy generation.” (2)

The Draft RFP in Section 2.2.3.4, Interconnection and Delivery Requirements, appears to contemplate state action to procure network upgrades to meet regional needs the most efficiently. “The amount paid for any energy and/or RECs under the PPA will be reduced to reflect any costs related to network upgrades and/or the interconnection of the project to the transmission system of the interconnecting utility that are collected under the ISO-NE Tariff or ISO-NE rules. RENEW supports this forward-thinking provision in the RFP.

Commitment Agreement

Complementing this claw back mechanism, the Commitment Agreement concept could assist with future multistate transmission procurements by allowing for the use of winning bidders’ interconnection facilities if needed for more cost-effective and efficient network upgrades for subsequent interconnection offshore wind facilities. Section 2.2.4.4., requires that, “in the event future third-party offshore wind developers request interconnection service on the bidder’s Interconnection Customer Interconnection Facilities (“ICIF”), the bidder will negotiate in good faith and use commercially reasonable best efforts to enter into a voluntary agreement with such third-party offshore wind developers regarding interconnection to and expansion of such ICIF to accommodate the third-party offshore wind developer’s request.” While RENEW supports the concept of the Commitment Agreement, a copy of the agreement in Appendix E has not been provided for review. It was made available for comment in the most recent Massachusetts offshore wind RFP process and should be provided with this RFP for comment.

Price and Non-Price Evaluation Criteria

In Section 2.3, Price and Non-Price Analysis, proposals will be scored with up to 75 points for quantitative factors and up to 25 points for qualitative factors for purposes of conducting the Stage Two evaluation. The RFP does not provide information on the weighting of criteria. The Company 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.

Environmental Protections

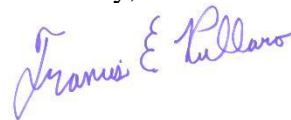
Section 2.3.3.3 provides additional criteria to be considered in the Non-Price Evaluation pertaining to impacts on the environment, wildlife, commercial and recreational fishing, and environmental justice populations. RENEW recognizes that offshore wind projects must be developed with strong, and reasonable, protections in place to protect our coastal and marine

environment and wildlife. RENEW supports 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.

Successful bidders will be also required to negotiate and execute a contractual commitment (i.e., Memorandum of Understanding) with the Rhode Island Department of Environmental Management (“DEM”) before a final PPA is executed that will hold bidders to providing a “commitment to use avoidance and minimization measures, Best Management Practices and current industry standards as well as site and environmental data transparency requirements and may include other commitments made by the bidder.” While this provision seems to allow for developers to adapt to account for changes to best practices based on technological innovation and advances in scientific understanding of the marine environment, it should also explicitly allow for developers to conform to federal conditions on development and operation.

Thank you for opportunity to provide these comments.

Sincerely,



Francis Pullaro
Executive Director