

REQUEST FOR PROPOSALS

FOR

LONG-TERM CONTRACTS FOR OFFSHORE WIND ENERGY PROJECTS

Issuance Date: June 29, 2017

Distribution Companies:

Fitchburg Gas & Electric Light Company d/b/a Unitil
Massachusetts Electric Company d/b/a National Grid
Nantucket Electric Company d/b/a National Grid
NSTAR Electric Company d/b/a Eversource Energy
Western Massachusetts Electric Company d/b/a
Eversource Energy

Massachusetts Department of Energy Resources

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Definitions

“Affiliated Company” means an affiliated company as defined in Section 85 of Chapter 164 of the Massachusetts General Laws.¹

“Control Area” means a geographic region in which a common generation control system is used to maintain scheduled interchange of Energy within and outside the region.

“BOEM” means the United States Bureau of Ocean Energy Management, and includes its successors.

“Delivery”, “Deliveries”, “Deliver”, or “Delivered” means Energy that is: i) injected in the New England Control Area at a specified and agreed upon pricing node (e.g., the generator asset node applicable to an internal resource or the external interface node applicable to an import), and ii) injected under any additional agreed upon conditions intended to reflect and realize a generally unconstrained/uncongested delivery of the Energy.

“Department of Energy Resources” or “DOER” means the Massachusetts Department of Energy Resources established by Section 1 of Chapter 25A of the Massachusetts General Laws.²

“Distribution Company” means a distribution company as defined in Section 1 of Chapter 164 of the Massachusetts General Laws.³

“Energy” means electric “energy,” as such term is defined in the ISO-NE Tariff, generated by the Generation Unit as measured in MWh in Eastern Prevailing Time as metered at the delivery point, which quantity will never be less than zero.

“Energy Diversity Act” means chapter 188 of the Acts of 2016, *An Act to Promote Energy Diversity*.

“Energy storage system” means a commercially available technology that is capable of absorbing energy, storing it for a period of time and thereafter dispatching the energy and which may be owned by an electric distribution company; provided, however, that an energy storage system shall: (i) reduce the emission of greenhouse gases; (ii) reduce demand for peak electrical generation; (iii) defer or substitute for an investment in generation, transmission or distribution assets; or (iv) improve the reliable operation of the electrical transmission or distribution grid; and provided further, that an energy storage system shall: (1) use mechanical, chemical or thermal processes to store energy that was generated for use at a later time; (2) store thermal energy for direct heating or cooling use at a later time in a manner that avoids the need to use

¹ <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter164/Section85>.

² <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter25A/Section1>.

³ <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter164/Section1>.

electricity at that later time; (3) use mechanical, chemical or thermal processes to store energy generated from renewable resources for use at a later time; or (4) use mechanical, chemical or thermal processes to capture or harness waste electricity and to store the waste electricity generated from mechanical processes for delivery at a later time.⁴

“Evaluation Team” means the Distribution Companies and the Department of Energy Resources.

“Evaluation Team Consultant” means an entity or entities that will contract with the Distribution Companies to assist the Evaluation Team with the technical methodologies and findings for eligible proposals.

“FERC” means the United States Federal Energy Regulatory Commission, and includes its successors.

“Generation Unit” means a facility that converts a fuel or an energy resource into electrical energy.

“GIS” means the New England Power Pool (“NEPOOL”) Generation Information System or any successor thereto, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for generation attributes of electricity generated or consumed within New England.

“Interconnection Agreement” means an agreement pursuant to the relevant section(s) of the ISO-NE Tariff among the Facility owner, the interconnecting utility and ISO-NE, as applicable, regarding the interconnection of the Facility to the Transmission System of the transmission affiliate of the Distribution Company, as the same may be amended from time to time.

“ISO” or **“ISO-NE”** means ISO New England Inc., the independent system operator established in accordance with the RTO arrangements for New England, or its successor.

“Long-Term Contract” means a contract for a period of 15 to 20 years for Offshore Wind Energy Generation.⁵

“New England Control Area” means New England Control Area as set forth in the ISO-NE Tariff.

“Offshore Delivery Facilities” means transmission or interconnection facilities constructed by an Offshore Wind Developer to transport Energy from Offshore Wind Energy Generation

⁴ <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter164/Section1>.

⁵ <https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter188>.

facilities to existing onshore ISO-NE Pool Transmission Facilities (“PTF”), and which are proposed in a separate bid component from the Offshore Wind Energy Generation component of the bid. Offshore Delivery Facilities include those facilities proposed under section 2.2.1.3.1 (2) (Project Specific Generator Lead Line Proposal with cost recovery under a FERC rate schedule) and section 2.2.1.3.2 (Expandable Transmission Facilities) of this RFP.

“Offshore Wind Developer” means a provider of electricity developed from an offshore wind energy generation project that is located on the Outer Continent Shelf, and for which no turbine is located within 10 miles of any inhabited area.⁶

“Offshore Wind Energy Generation” means offshore electric generating resources derived from wind that: (1) are Class I renewable energy generating sources, as defined in Section 11F of Chapter 25A of the General Laws; (2) have a commercial operations date on or after January 1, 2018, that has been verified by the Department of Energy Resources; and (3) operate in a designated wind energy area for which an initial federal lease was issued on a competitive basis after January 1, 2012.⁷

“Other Authorities” means United States federal agencies, state and local agencies and authorities, one or more regional transmission organizations, balancing authorities, or utilities in other Control Areas in which a generation unit is located or through which its Energy may pass.

“Outer Continental Shelf” has the meaning provided in 43 U.S.C. §1331.

“Rate Schedule” means Rate Schedule as set forth in 18 CFR §35.2(b).

“Renewable Energy Certificates” or **“RECs”** means all of the GIS Certificates and environmental benefits associated with New Class I RPS eligible resources.

“Selection Team” means the Distribution Companies.

“Service Agreement” has the meaning provided in 18 CFR §35.2(c)(2).

“Tariff” has the meaning provided in 18 CFR §35.2(c)(1).

⁶ <https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter188>

⁷ <https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter188>

1. Introduction and Overview

1.1 Purpose of the Request for Proposal

Fitchburg Gas & Electric Light Company d/b/a Unitil (“Unitil”), Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid (“National Grid”), NSTAR Electric Company and Western Massachusetts Electric Company each d/b/a Eversource Energy (“Eversource”), as investor-owned electric distribution companies (collectively, “Distribution Companies” and each as “Distribution Company”) serving ratepayers in the Commonwealth of Massachusetts (“Commonwealth”), in coordination with the Massachusetts Department of Energy Resources (“DOER”), are collectively seeking reasonable proposals to enter into cost-effective Long-Term Contracts for Offshore Wind Energy Generation and associated RECs, which may include associated transmission costs, pursuant to Section 83C of Chapter 169 of the Acts of 2008 (“Section 83C”), as amended by the Energy Diversity Act. In this Request for Proposals (“RFP”), the Distribution Companies are seeking to procure a total of 400 MW of Offshore Wind Energy Generation. This solicitation also allows bidders to offer proposals for up to approximately 800 MW, and the Distribution Companies will consider procuring up to approximately 800 MW if the Evaluation Team determines that a larger-scaled proposal is both superior to other proposals submitted in response to this RFP and is likely to produce significantly more economic net benefits to ratepayers based on the evaluation criteria set forth in this RFP.⁸ To support development of the offshore wind energy market, the Distribution Companies are seeking proposals that include expandable, nondiscriminatory, open-access offshore transmission facilities for the efficient delivery of their power to the Onshore Transmission System.

This initial solicitation is part of a staggered procurement schedule developed by the Distribution Companies and DOER, in accordance with Section 83C to ensure that the Distribution Companies enter into cost-effective contracts for Offshore Wind Energy Generation equal to approximately 1600MW of aggregate nameplate capacity not later than June 30, 2027. The Distribution Companies and DOER will issue subsequent

⁸ The Commonwealth of Massachusetts in consultation with the Distribution Companies will consider the participation of other states as a means to achieve the Commonwealth’s Offshore Wind Energy Generation goals if such participation has positive or neutral impact on Massachusetts ratepayers. If the Commonwealth determines that such participation provides a reasonable means to achieve its Offshore Wind Energy Generation goals cost effectively through multi-state coordination and contract execution, selected projects may be allocated on a load ration share basis to one or more electric distribution companies in such state, subject to applicable legal requirements in the Commonwealth and the respective state. Examples include: Rhode Island’s Distribution Company, Narragansett Electric Company, has expressed interest in evaluating and considering projects proposed in response to this RFP pursuant to the General Laws of Rhode Island, including Chapter 31 of Title 39, the Affordable Clean Energy Security Act (“Chapter 39-31”). Similarly, the Connecticut Department of Energy and Environmental Protection could consider projects pursuant to Connecticut Public Act 13-303, Connecticut Public Act 15-107, or other authority, as applicable.

solicitations within 24 months of the previous solicitation, consistent with Section 83C. In addition, Section 83C requires that Long-Term Contracts resulting from any subsequent solicitations must include a levelized price per megawatt hour, plus associated transmission costs, that are less than the previous solicitation.

Distribution Companies encourage proposals which include committed Offshore Wind Energy Generation delivery as early as reasonably possible to maximize the Commonwealth's ability to meet its Global Warming Solution Act ("GWSA") goals. The terms of any Long-Term Contracts resulting from this solicitation will be finalized between the Distribution Companies and successful bidders based on the proposals submitted and selected in accordance with the process set forth in this RFP.⁹ This RFP includes a draft contract for Offshore Wind Energy Generation ("Draft Contract"), as well as illustrative contract terms for service over Offshore Delivery Facilities.

Section 83C requires the Distribution Companies, in coordination with the DOER, to solicit proposals from developers of Offshore Wind Energy Generation projects in a fair and non-discriminatory fashion, and, provided that reasonable proposals have been received, enter into cost-effective Long-Term Contracts for Offshore Wind Energy Generation. The standards and criteria set forth in this RFP are designed so proposals selected for contract negotiations will serve the interests of Section 83C by furthering those projects that have a strong likelihood of being financed and constructed and that will provide a reliable and cost-effective source of long-term Offshore Wind Energy Generation to the Commonwealth.

In addition to the statutory requirements set forth in Section 83C, the Distribution Companies are issuing this RFP in accordance with regulations promulgated under Section 83C by the Department of Public Utilities ("DPU"), 220 C.M.R. § 23.00, *et seq.* This RFP outlines the process that the Distribution Companies plan to follow to satisfy their obligations under Section 83C and 220 C.M.R. § 23.00, *et seq.* and sets forth the timetable regarding the solicitation process, provides information and instructions to prospective bidders, and the bid evaluation process that will be followed once bids are received.

⁹ The actual amount of Offshore Wind Energy Generation and/or RECs to be procured by each of the Distribution Companies is determined based upon each Distribution Company's Massachusetts load-share derived from the most recent full years data which is from 2016

National Grid	46.16%
NSTAR	45.05%
WMECO	7.80%
Unitil	0.99%

1.2 The Framework Established Pursuant to Section 83C

The Energy Diversity Act, which includes Section 83D and 83C solicitations, recognizes the necessity of the Commonwealth achieving the goals established pursuant to the GWSA. The GWSA requires the Commonwealth to establish goals and meet targets for the reduction of greenhouse gas emissions by 2020, 2030, 2040, and 2050. The goals established by the Commonwealth specifically require a reduction of 25 percent below 1990 levels by 2020 and a reduction of 80 percent below 1990 levels by 2050.

Under Section 83C, a Distribution Company may decline to consider proposals having terms and conditions that it determines would require the Long-Term Contract obligation to place an unreasonable burden on the company's balance sheet. All proposed Long-Term contracts are subject to the review and approval of the DPU prior to becoming effective.

As part of its review and approval process for any proposed Long-Term Contracts, the DPU must take into consideration recommendations from the Office of the Attorney General ("AGO"), which must be submitted to the DPU within forty-five (45) days following the filing of such contracts with the DPU. Section 83C provides that the DPU shall consider both the potential costs and benefits of such contracts and shall approve a contract only upon a finding that it is a cost effective mechanism for procuring reliable Offshore Wind Energy Generation on a long-term basis, taking into account the factors outlined in Section 83C, as further described below.

Finally, if the DOER, in consultation with the Distribution Companies, and the Independent Evaluator as described in Section 1.5 below, determines that reasonable proposals were not received pursuant to this solicitation, the DOER may terminate this solicitation. In addition, if a Distribution Company deems all proposals to be unreasonable, it shall submit a filing to the DPU supporting its decision to decline all proposals. This decision is subject to DPU approval.

1.3 Solicitation by Distribution Companies in Coordination with the Department of Energy Resources

The Evaluation Team coordinated on this solicitation and evaluation process with respect to this RFP. As a result of this process, the Distribution Companies now issue this RFP, including associated bid forms and draft contracts. The purpose of this approach is to provide prospective bidders with bid submittal and evaluation requirements in order to facilitate the bidding process. Responses to this RFP will be returned to the Evaluation Team for joint evaluation consistent with the terms of this RFP. Bidders shall submit proposals contemporaneously to the entire Evaluation Team. Proposals should be submitted in accordance with Section 1.7.3 of this RFP.

The Selection Team with DOER serving as an advisory participant will then be responsible for bid selection, contract negotiations, and contract execution. The Distribution Companies expect to coordinate their negotiation of the contracts and to jointly file the executed Long-Term Contracts with the DPU for approval prior to becoming effective. The Draft Long-Term Contracts may vary somewhat to accommodate the contracting requirements that are specific to each Distribution Company.

1.4 Overview of the Procurement Process

The Evaluation Team, with the assistance of the Evaluation Team Consultant, will receive the proposals, including confidential materials, and conduct an evaluation of the proposals.

The Distribution Companies have executed the Standard of Conduct document attached as Appendix G to this RFP. Under these Standards of Conduct, discussion of this RFP and any bid proposed therein between Distribution Company personnel participating on the Evaluation Team and Distribution Company personnel involved in the preparation of proposals in response to this RFP shall be prohibited, other than as part of discussions that are conducted as part of the RFP process (e.g. bidder conferences or formal bidder Q&A), in accordance with the Standard of Conduct.

The Evaluation Team will consider the evaluation results and project rankings to determine projects to be considered for selection.

The Distribution Companies will be responsible for negotiation and execution of any final Long-Term Contract. The DOER will have the opportunity to monitor contract negotiations between the Distribution Companies and selected bidders.

The procurement process has three stages of evaluation, as described in further detail in Section 2 of this RFP. In Stage One, proposals will be evaluated on the basis of whether certain eligibility and threshold requirements are satisfied. In Stage Two, proposals will be evaluated based on specified quantitative and qualitative criteria. In Stage Three, further evaluation of remaining proposals will be conducted to ensure selection of viable projects that provide reliable Offshore Wind Energy Generation with limited risk.

1.5 Independent Evaluator

The DOER and the AGO, as required by Section 83C, have jointly selected, and the DOER has contracted with, an Independent Evaluator to monitor and report on the solicitation and bid selection process. The Independent Evaluator will assist the DOER in determining whether a proposal is reasonable, as well as, assist the DPU in its consideration of the Long-Term Contracts filed for approval.

In an effort to ensure an open, fair, and transparent solicitation and bid selection process that is not unduly influenced by an Affiliated Company, Section 83C requires the Independent Evaluator:

- (1) To issue a report to the DPU that analyzes the timetable and method of solicitation and the solicitation process implemented by the Distribution Companies and the DOER; and
- (2) Upon the opening of an investigation by the DPU into a proposed Long-Term Contract, to file a report with the DPU that summarizes and analyzes the solicitation and bid selection process, and provides an independent assessment of whether all proposals were evaluated in a fair and non-discriminatory manner.

To perform this role, the Independent Evaluator will have access to all information and data related to the solicitation and bid selection process, including any confidential information provided by bidders. The DPU has the discretion to consider the Independent Evaluator's findings and may adopt its recommendations as a condition for approval. However, if the Independent Evaluator concludes that the solicitation and bid selection of a contract was not fair and objective, and the process was substantially prejudiced as a result, the DPU shall reject the contract per Section 83C.

1.6 Communications Between the Evaluation Team and Bidders and Filing Protocol

With the exception of the pre-bid conference (see Section 3.2 below), all pre-bid contact with prospective bidders and other interested parties will be via the Distribution Companies' website at **MACleanEnergy.com**, and email address **MARFP83C@gmail.com**. Links will be available for submitting questions to the Distribution Companies, and responses will be coordinated by the Evaluation Team and posted on the Distribution Companies' website.

Proposals will be submitted directly to the Evaluation Team at the addresses set forth in Appendix H to this RFP. Each proposal must be submitted to the entire Evaluation Team. Following the submission of proposals, communications regarding specific proposals will be between the Evaluation Team and the bidder. It will be the responsibility of the bidders to keep the Evaluation Team informed about the details of their projects, (e.g. the status updates in obtaining permits and financing), but the communications shall not include revisions to the bidder's proposals, unless otherwise expressly and unambiguously provided for in this RFP document. Any bidder communications must be provided to the entire Evaluation Team through the email address referenced above.

1.7 Request for Proposal Process

The one hundred and seventy-three (173) day timeline for the bidding process following the issuance of this RFP, as well as the schedule for other steps in the process including approval by the DPU is set forth below in Section 3.1 of this RFP.

1.7.1 Proposal Submission Deadline

12/20/2017 at 12:00 (noon) EDT

1.7.2 Proposal Validity

Proposals shall be valid for one hundred and ninety-five (195) days from the date of the Proposal Submission Deadline.

1.7.3 Submission Requirements

Bidders must submit separate CD ROMs of the public version of each proposal and shall also submit separate CD ROMs of the un-redacted confidential version to the contacts in Appendix H to this RFP in the quantities specified. The public version of the proposal may be redacted to remove information that qualifies for confidential treatment pursuant to the Commonwealth's requirements described in Appendix F to this RFP. Each proposal shall contain the full name and business address of the bidder and the bidder's contact person and shall be signed by an authorized officer or duly authorized representative of the bidder. Bidders must sign the original proposal and include copies of the signature page with the proposal. The full name and business address of the bidder must be included in the public version of the proposal(s).

1.7.3.1 Public Versions of Proposals

Each proposal must be submitted publicly, with confidential material redacted at the bidder's option, to the Evaluation Team. This public version will be posted on the public website **MACleanEnergy.com** shortly after the bid submittal deadline. The CD title should include the words "Public Version" to alert the Evaluation Team that the version will be publicly posted. The public proposals must be complete in all respects other than the redaction of confidential information. Complete proposals must include a properly completed Certification, Project and Pricing Data ("CPPD") Form, although at the bidder's option the CPPD submitted as part of the public version may be a PDF instead of a working Excel file so long as the bidder submits the un-redacted CPPD form as a working Excel file with the confidential version of the proposal. If there is conflicting information between the information in the CPPD and information in other forms, then the information in the CPPD will be used in the evaluation. Information elsewhere in the bid cannot be used by the bidder to modify or qualify any information in the CPPD.

The Evaluation Team will not redact the public versions of proposals. Anything submitted in the public version will be made AVAILABLE TO THE PUBLIC.

1.7.3.2 Confidential Versions of Proposals

If a bidder elects to redact any confidential information in the public version of its proposal(s), it must also submit an un-redacted, complete version of the proposal(s). The confidential version of the proposal must include the CPPD forms as a working Excel file, with all required information included. The confidential version of the proposal will be treated as confidential and sensitive information by the Evaluation Team, subject to the treatment of confidential information discussed in Section 1.7.4 of this RFP.

1.7.4 Confidential Information

Bidders must clearly identify all confidential or proprietary information including pricing. Only legitimate non-public proprietary or sensitive information may be considered confidential, and bidders should not designate any portions of their proposal confidential that do not merit confidential treatment. The Evaluation Team shall use commercially reasonable efforts to treat the confidential information that it receives from bidders in a confidential manner and will not use such information for any purpose other than in connection with this RFP. Additional information concerning the confidentiality of information provided to the DOER is included in Appendix F to this RFP. As part of the bid evaluation process the Evaluation Team expects to disclose bid information to the Evaluation Team Consultant, to ISO-NE and/or to personnel of one or more Other Authorities. The Independent Evaluator will also have access to all proposal information in performing its role. Depending upon the evaluation of proposals received, the Evaluation Team may seek permission from bidders to share proposals with other individuals or entities, subject to a confidentiality agreement.

In all such cases, the Evaluation Team will work with bidders on developing appropriate means to protect and limit disclosure of confidential information. Bidders, however, should be aware that the Distribution Companies and the DOER reserve the right to disclose the pricing of the winning proposals in the contracts that are filed for approval at the DPU, and the DPU may require the public disclosure of such pricing during the regulatory approval proceedings. If any other confidential information is sought in any regulatory or judicial inquiry or proceeding or pursuant to a request for information by a government agency with supervisory authority over any of the Distribution Companies, reasonable steps shall be taken to limit disclosure and use of said confidential information through the use of non-disclosure agreements or requests for orders seeking

protective treatment, and bidders shall be informed that the confidential information is being sought. The bidder shall be responsible for filing, submitting, and/or providing to the Distribution Companies for such filing or submission, any motions or other pleadings (including associated affidavits, etc.) for protective orders or other relief to justify withholding the confidential information, but may not object to the disclosure of the pricing of the winning proposals in the contracts that are filed for approval at the DPU.

Similarly, bidders shall use commercially reasonable efforts to treat all confidential information received from the Evaluation Team or individual entities serving on the Evaluation Team in a confidential manner and will not, except as required by law or in a regulatory or judicial proceeding, disclose such information to any third party or use such information for any purpose other than in connection with this RFP; provided, however that if such confidential information is sought in any regulatory or judicial proceeding, the bidders shall take reasonable steps to limit disclosure and use of said confidential information through the use of non-disclosure agreements or requests for orders seeking protective treatment, and shall inform the Evaluation Team that the confidential information is being sought.

In the event confidential information is submitted to the Evaluation Team and confidential treatment is not afforded by a governmental agency or other entity exercising proper authority, the entities and individuals on the Evaluation Team and the Independent Evaluator shall not be held responsible. Each member of the Evaluation Team and the Independent Evaluator, as well as their employees, agents, and consultants, shall be held harmless for any release of confidential information as long as reasonable efforts to protect the information have been followed. In any event, each member of the Evaluation Team and the Independent Evaluator, as well as their employees, agents, and consultants, shall be held harmless for any release of confidential information made available through any public source by any other party.

1.7.4.1 Confidential Information Sharing Authorization for ISO-NE and Other Authorities Personnel

ISO-NE will, and Other Authorities may, be requested to provide information to the Evaluation Team concerning proposals as part of the proposal evaluation process. Information classified as Critical Energy Infrastructure Information (“CEII”) will only be shared with members of the Evaluation Team and the Independent Evaluator who are cleared to receive CEII by ISO-NE or any applicable Other Authorities. By participating in this RFP bidders agree that ISO-NE and the Other Authorities may release information related to the projects which may

otherwise be considered confidential under the relevant rules or policies of such organizations, to the Evaluation Team and the Independent Evaluator.

The Bidder shall provide written confirmation of its consent for the sharing of this information as part of the bidder certification form, and, if requested by the Evaluation Team, the bidder shall specifically request that ISO-NE and/or any of the Other Authorities provide this information to the Evaluation Team and shall pay any costs imposed by ISO-NE or any of the Other Authorities associated with providing that information. Failure to comply with this request will result in disqualification of the bid. The Evaluation Team will treat the information provided as confidential as described above in accordance with the Confidential Information policies and practices described in Section 1.7.4. of this RFP.

1.7.5 Appendices

All bidders shall sign and submit attached Appendix D to this RFP with their proposals. **A proposal will be considered incomplete unless the required Appendix D to this RFP is signed and submitted with the proposal.**

Appendix A Notice of Intent to Bid
Appendix B Bidders Response Package
Appendix C-1 Form of Class 1 Contract (National Grid)
Appendix C-2 Form of Class 1 Contract (Eversource)
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1.8 Bidder Certification

An authorized officer or other duly authorized representative of a bidder is required to certify by the submission of its proposal that:

1. The bidder has reviewed this RFP, and has investigated and familiarized itself with respect to all matters pertinent to this RFP and its proposal;
2. The bidder's proposal is submitted in compliance with all applicable federal, state and local laws and regulations, including antitrust and anti-corruption laws;
3. The bidder is bidding independently and has no knowledge of non-public information associated with a proposal being submitted by another party in response to this RFP other than: (1) a response submitted (a) by an affiliate of that

bidder or (b) for a project in which that bidder is also a project proponent or participant, which, in each case, must be disclosed in writing to the Evaluation Team with each such bidder's or affiliated bidder's proposal; or (2) a submission of multiple bids for the same Offshore Wind Energy Generation;

4. The bidder has no knowledge of any confidential information associated with the development of this RFP;
5. The bidder's proposal has not been developed utilizing knowledge of any non-public information associated with the development of this RFP;
6. The bidder has not obtained any confidential bidding-related information directly or indirectly from any of the Distribution Companies, in preparation of its bid;
7. Except as disclosed by the bidder in the relevant portions of its response, the bidder is not an Affiliated Company of any Massachusetts investor-owned electric Distribution Company and no Distribution Company that is seeking proposals pursuant to this RFP has a financial or voting interest, controlling or otherwise, in the bidder or the bidder's proposed project; and
8. The bidder accepts that confidential information about their proposal might be shared with any members of the Evaluation Team, the Evaluation Team Consultant, the Independent Evaluator, ISO-NE, or Other Authorities personnel.

1.9 Changes or Cancellations

The terms and conditions of this RFP may, at any time, be changed, postponed, withdrawn and/or canceled, including any requirement, term or condition of this RFP, any and all of which shall be without any liability to any members of the Evaluation Team. Any changes to or cancellations of this RFP will be posted on **MACleanEnergy.com**.

1.10 Non-Refundable Bid Fees

Each Project¹⁰ shall be required to pay a non-refundable bid fee which will be used to offset the cost of the quantitative evaluation of proposals performed by the Evaluation Team Consultant. The minimum bid fee will be \$300,000. This bid fee includes one pricing offer. Each additional pricing offer will cost an additional \$25,000 for projects. The fee for an additional pricing offer only applies for variations in pricing for the same project. For all other cases a new bid fee is required. For clarity, if there are changes to any physical aspect of a project, including but not limited to project size, technology type(s), production/delivery profile, in-service date, or delivery location then a flat bid fee of \$50,000 is required. In calculating bid fees for multiple project sizes, the bid fee will first be calculated for the largest of the project sizes and the flat \$50,000 bid fee(s) will

¹⁰ For purposes of bid fee calculation, a Project that offers in the required 2 bids as outlined in section 2.2.1.3.1 and 2.2.1.3.2 will be counted as one project.

apply to the smaller of the project sizes bid. Bid fees must be wired to the Distribution Companies and in the percentages applicable pursuant to the instructions contained in Appendix H to this RFP. The bid fee should be wired no later than the final date for submission of proposals. No applications will be reviewed without a bid fee. Before bidders submit their proposals and bid fees, they are strongly encouraged to verify that the bid submittal meets all of the requirements of this RFP. Submission of a bid fee does not obligate the Distribution Companies to select a project.

If the total amount of the bid fees collected is not adequate to cover the cost of the evaluation, the Distribution Companies may either seek recovery of that shortfall through retail rates or terminate the evaluation and selection process under this RFP. If this RFP is terminated, uncommitted bid fees will be returned. **In no other event will any portion of the bid fees be refunded, without regard to whether a bid is selected.**

2 Bid Evaluation and Selection Criteria and Process

2.1 Introduction/Overview of the Process

The review of proposals will occur in three distinct stages. In Stage One, proposals will be reviewed to ensure that they meet eligibility and threshold requirements. In Stage Two, proposals will be evaluated based on specified quantitative and qualitative criteria. In Stage Three, the Evaluation Team will conduct further evaluation of remaining proposals to ensure selection of viable projects that provide cost-effective, reliable Offshore Wind Energy Generation with limited risk.

The Evaluation Team reserves the right, at any stage, to disqualify and eliminate from further consideration any proposal that it reasonably believes does not meet the requirements set forth below. During any stage of the procurement process, if the Evaluation Team determines that any proposal is deficient and missing applicable information needed to continue the evaluation process, the Evaluation Team may notify the respective bidder and permit the bidder a reasonable opportunity to cure the deficiency and/or supply the missing information. Communication between the Evaluation Team and the bidder will be governed by Section 1.6 of this RFP.

2.2 Stage One

2.2.1 Eligibility, Threshold, and Other Minimum Requirements

Proposals that fail to meet one or more of the following eligibility requirements may lead to disqualification of the proposal from further review and evaluation.

2.2.1.1 Eligible Bidder

An eligible bidder is the developer of Offshore Wind Energy Generation or is in possession of the development rights to Offshore Wind Energy Generation.

2.2.1.2 Eligible Proposal Size

The Distribution Companies are seeking to procure a total of approximately 400 MW of Offshore Wind Energy Generation.¹¹ This solicitation also allows bidders to offer proposals for up to 800 MW, and the Distribution Companies will consider procuring up to 800 MW if the Evaluation Team determines that a larger-scaled proposal is both superior to other proposals submitted in response to this RFP and is likely to produce significantly more economic net benefits to ratepayers based on the evaluation criteria set forth in this RFP.

Each eligible bidder is required to submit at least one proposal of 400MW. An eligible bidder may also submit alternative proposals with a nameplate capacity of no less than 200 MW and no greater than 800 MW.

A bidder offering such alternative proposal(s) may present the same terms, schedule and pricing of the required proposal, with additional capacity, or may present entirely new terms for either portions of the proposal(s) or for the aggregate total capacity.

All proposals must provide for a scheduled commercial operation date before January 1, 2027.

Eligible bidders submitting multiple alternative proposals must specify whether any of their proposals are negatively contingent upon any of their other proposals (i.e., eligible bidders must specify whether acceptance of a certain proposal or proposals will preclude the Distribution Companies from accepting some other proposal or proposals submitted by the same eligible bidder).

If a bidder proposes to construct an eligible project in phases of development, a reasonable number of phases and associated dates for commercial operation date of these phases may be offered. As noted in

¹¹ Bidders may propose minor variations in proposed bid/contract sizes based on expected turbine size and potential changes to expected turbine size.

Section 2.2.1.6 below, in recognition of the 15 to 20 year contract term, multiple contracts may be issued for projects developed in phases. Bidders should indicate their expectation for the number and timing of contracts.

2.2.1.3 Eligible Bid Categories

An eligible bidder proposing to sell Offshore Wind Energy Generation Resources and/or associated RECs pursuant to a Long-Term Contract must propose a price schedule for energy deliveries that conforms to Section 2.2.1.4 of this RFP. Subsections 2.2.1.3.1 and 2.2.1.3.2 below describe the categories of proposals that are being solicited pursuant to this RFP. For each Offshore Wind Energy Generation proposal size that a bidder submits, the bidder must submit a proposal that (a) conforms to subsection 2.2.1.3.1 of this RFP and a separate proposal that (b) conforms to subsection 2.2.1.3.2 of this RFP.

All proposals must include a commitment to interconnect to the ISO-NE Pool Transmission Facilities (“PTF”) at the Capacity Capability Interconnection Standard, as defined by ISO-NE.

The bidder must provide delivery profile schedules of Offshore Wind Energy Generation with its proposal. In accordance with Section 83C, proposals must be cost effective for ratepayers over the duration of the Long-Term Contract and allow for the mitigation of environmental impacts. Consistent with these objectives, and to ensure that proposals reflect potential ratepayer benefits associated with the future deployment of offshore wind facilities pursuant to Section 83C, bidders must submit a proposal that conforms to subsection 2.2.1.3.1 and 2.2.1.3.2 for each eligible generation submission.

Offshore Wind Energy Generation may be paired with energy storage systems. The bidder proposing Offshore Wind Energy Generation with energy storage must provide an annual schedule of Offshore Wind Energy Generation with its proposal. Bidders are encouraged to propose delivery profiles which they expect will add the most value for Massachusetts ratepayers, (e.g., largely follows the Commonwealth’s anticipated load shape or delivers on peak).

The seller for Offshore Wind Energy Generation who fails to deliver energy and/or RECs as pursuant to its contract with the Distribution Company may be responsible for liquidated damages for the energy and/or associated RECs not provided, and for associated transmission support costs incurred in connection with the Offshore Wind Energy Generation not provided. The forms of Long-Term Contracts included in Appendix

C-1 and C-2 contain the terms and conditions for the sale of Offshore Wind Energy Generation and RECs.¹² Appendix C-3 contains the contract and tariff requirements for service in connection with Offshore Wind Energy Generation with a Project Specific Generator Lead Line Proposal with cost recovery under a FERC tariff in section 2.2.1.3.1 (2), and for Offshore Wind Generation with an Expandable Transmission network service described in section 2.2.1.3.2.

2.2.1.3.1 Offshore Wind Energy Generation with a Project Specific Generator Lead Line Proposal

An Eligible Bidder proposing to sell Offshore Wind Energy Generation and/or associated RECs pursuant to a Long-Term Contract must include a proposal for delivery facilities comprising generator lead line(s) and all associated facilities required for delivery from the Offshore Wind Energy Generator directly to the corresponding onshore ISO-NE PTF system facilities (“Project Specific Generator Lead Line Proposal”). Bidders may consider more than one point of on-shore interconnection. Such a proposal may provide for payment either (1) through an all-in price schedule for Offshore Wind Energy Generation and/or associated RECs that includes the cost of such delivery facilities via power purchase agreement, or (2) separately from the generation and/or RECs pricing, through a FERC-accepted OATT, Rate Schedule, or Tariff and Service Agreement with terms consistent with those detailed in the applicable provisions of Attachment C-3. If a bidder elects to use pricing approach (2), then the bidder must include the following information:

- a. The proposed payment required. If the proposed payment may change during the contract term, then the bidder must also provide the method that the bidder shall use to determine the payment for the project under the Rate Schedule or Tariff and Service Agreement to be filed with FERC. If the proposed payment is a formula rate, then the bidder must also provide the formula that the bidder will file with FERC;
- b. If the proposed payment is based on the project’s cost of service and such payment may change during the contract term based on changes in the cost of service, then a full revenue requirements model must be submitted as a

¹² The National Grid form includes the potential for additional such liquidated damages in the event of significant underperformance, i.e., over a long period and with appropriate recognition of the intermittency/weather dependency of Offshore Wind Generation, in the delivery of energy and/or RECs as compared with the seller’s proposed delivery profiles used in the evaluation and selection of its project.

working Excel spreadsheet with the formulas intact including all assumptions;

- c. Sufficient documentation that will demonstrate that the bidder's proposal is consistent with FERC precedent; and
- d. Provide all applicable documentation requested in Section 15 of the Bidder Response Package.

2.2.1.3.2 Offshore Wind Energy Generation with an Expandable Transmission Proposal under a FERC Tariff

In addition to Project Specific Generator Lead Line Proposal bid component, as described in Subsection 2.2.1.3.1, above, each proposal to sell Offshore Wind Energy Generation and/or associated RECs pursuant to a Long-Term Contract must also include a proposal for nondiscriminatory access to Offshore Delivery Facilities that are part of an expandable transmission network, to be designed and constructed by the Offshore Wind Energy Generation bidder, either alone, in combination with other bidders, or in partnership with a third-party developer, to deliver Offshore Wind Energy Generation to the corresponding onshore ISO-NE PTF system facilities ("Expandable Transmission Proposal").

Expandable Transmission Proposals are intended to support development of the offshore wind energy market by providing current and future Offshore Wind Energy Generation developers with expandable, nondiscriminatory, open-access facilities for the efficient delivery of their power to the corresponding onshore ISO-NE PTF system facilities.

Consistent with this purpose, the Expandable Transmission Bid must satisfy the following requirements:

- (1) Include shared facilities with excess capacity and/or efficiently and cost-effectively expandable capacity associated with the collection and transmission of offshore energy, such as an offshore switching station;
- (2) The shared facilities should be sized or expandable to accommodate interconnection of the 1600 MW of aggregate nameplate capacity of Offshore Wind Energy Generation contemplated by Section 83C.

In addition to the required 1600 MW bid described in the last sentence, bidders also have the option to submit additional bids for expandable transmission facilities of other sizes and configuration. Submission of such optional bids will not relieve bidders of the requirement to submit a bid for expandable transmission facilities of 1600 MW;

- (3) Each proposed offshore transmission facility (including the 1600 MW required bid or any optional bids described in (2), above), such as an offshore switching station, must be designed to provide proposed Offshore Wind Energy Generators with a nondiscriminatory access to transmission service, and must avoid, to the extent reasonably possible, any advantage or preference for any Offshore Wind Generators' delivery of its output to the Onshore Transmission System. The proposed offshore transmission facilities must accommodate all existing and currently planned Offshore Wind Energy Generation up to the capacity of the proposed transmission facilities, and should, to the extent possible, be designed to be expandable to accommodate reasonably anticipated future Offshore Wind Energy Generation.
- (4) The shared facilities must be available to all potential future bidders on a non-discriminatory basis under either a FERC tariff or on some other basis described in detail by the bidder including future interconnection requests;
- (5) The shared facilities and the build-out plan should provide for and mitigate the overall costs and maximize total benefits, including but not limited to ratepayer costs, stranded costs, and environmental impacts; and
- (6) Expandable Transmission Proposal must propose an OATT, Rate Schedule, or Tariff with terms consistent with those detailed in Attachment C, including an open access obligation and a duty to expand facilities if necessary to accommodate new interconnection requests.

All Expandable Transmission Proposals, whether required or optional, must comply with Section 2.2.1.3 of this RFP, provide that the transmission facilities are to be operated by ISO-NE as part of the unified transmission grid, and provide for payment through a FERC-accepted OATT, Rate Schedule, or Tariff and Service Agreement with terms consistent with those detailed in Attachment C.

The bidder must provide detailed information on its proposed transmission facilities proposal(s), including, as appropriate:

- a. The proposed payment required. If the proposed payment may change during the contract term, then the bidder must also provide the method that bidder shall use to determine the payment for the project under the Rate Schedule or Tariff and Service Agreement to be filed with FERC. If the proposed payment is a formula rate, then the bidder must also provide the formula that the bidder will file with FERC;
- b. If the proposed payment is based on the project's cost of service and such payment may change during the contract term based on changes in the cost of service, then a full revenue requirements model must be submitted as a working Excel spreadsheet with the formulas intact including all assumptions;
- c. Sufficient documentation that will demonstrate that the bidder's proposal is consistent with FERC precedent; and
- d. Provide all applicable documentation requested in Section 15 of the Bidder Response Package.

2.2.1.4 Allowable Forms of Pricing

- i. Pricing for Offshore Wind Energy Generation and/or associated RECs must conform to the following pricing requirements:
 - a. A proposal to sell Offshore Wind Energy Generation and/or associated RECs, or both, must propose a price on a fixed \$/MWh and/or \$/REC basis, as applicable. Prices may be the same each year or change by a defined rate or amount over time.

- b. Payments must be calculated on a \$/MWh or \$/REC basis for actual production following delivery. No lump sum payments, pre-payments or fees shall be paid.
- c. Proposals including Offshore Wind Energy Generation and RECs, or a portion thereof, must provide separate prices for such Offshore Wind Energy Generation and RECs. For such proposals, if a Distribution Company agrees to purchase both Offshore Wind Energy Generation and RECs under a Long-Term Contract and the RECs cease to conform to the RPS Class I eligibility criteria, the applicable Distribution Company may thereafter only pay for electric energy under that Long-Term Contract. Pricing for Offshore Wind Energy Generation and RECs must align with the relative market value of those products.
- d. Proposals for RECs only must be priced in \$/REC, and only RECs produced by the designated facility that conform to the RPS Class 1 eligibility criteria will be purchased.
- e. Under the terms of the PPA, in the event that the Locational Marginal Pricing ("LMP") for the Clean Energy at delivery point is less than \$0.00 per MWh in any hour, then the Buyer will purchase the Delivered Energy and/or RECs at the contract rate and Seller shall credit to Buyer, on the appropriate monthly invoice, an amount equal to the product of (i) such Clean Energy Delivered in each such hour; and (ii) the absolute value of the hourly LMP at such Delivery Point.
- f. The Distribution Companies are also interested in considering proposals that include a Distribution Company entitlement to all of the RECs associated with an Offshore Wind Energy Generation project for the project's life, with any cost for such entitlement amortized over the term of the Long-Term Contract and recovered only under the term of that Long-Term Contract. This proposal would only be considered as an alternative to a proposal that limits the transfer of the entitlement to the RECs to the primary contract term of the Long Term Contract. Proposals will also be considered that include a Distribution Company entitlement to all of the RECs associated with an Offshore Wind Energy Generation project for a period shorter than a project's life, but beyond the term of the Long-Term Contract, with any costs for such entitlement amortized in

the manner noted above. A bidder offering this alternative proposal must identify any changes to the price or other terms of its proposal, and must also detail the proposed terms and conditions associated with the transfer of the entitlement to the RECs after the primary term of the Long Term Contract, including for example a forecast of the project's life, and forecast of RECs to be delivered each year beyond the primary term. Bidders are not required to pay an additional bid fee for this alternative proposal.

ii. Pricing for Offshore Delivery Facilities components of proposals, as part of a bid, must conform to the following pricing requirements:

- a. The cost of generator-related facilities, such as low-voltage collector cables up to the high side of the generator transformers, must be recovered under the PPA rather than any FERC-jurisdictional OATT, tariff, or rate schedule.
- b. Pricing for the Offshore Delivery Facilities components of proposals should be proposed separately under a FERC-filed tariff or rate schedule that is in form and substance likely to be acceptable to FERC, as determined by the Evaluation Team.
- c. Fixed prices are encouraged for Offshore Delivery Facilities components and pricing. Cost of service is allowed for Offshore Delivery Facilities pricing proposals; however, all such proposals must include significant cost containment features (examples of such features include, fixed price components, cost overrun restrictions, or other cost bandwidth provisions). Bids that limit ratepayer risk to a greater degree will be viewed more favorably.

Offshore Delivery Facilities components of proposals must provide all requested information about the Offshore Delivery Facilities project costs, design, vendors, and contracts described in the Bidder Response Package. All Offshore Delivery Facilities project proposals must also address the applicable terms shown in Appendix C-3 to this RFP and cost of service proposals must provide a working Excel spreadsheet with a full revenue requirements model showing the transmission components proposal's cost of service during and after the contract term. Proposals must include sufficient documentation that will demonstrate that their pricing is consistent with FERC precedent.

2.2.1.5 Bidder Disclosure of Affiliations and Affiliate Relationships

All bidders are required to disclose any and all affiliations and affiliate relationships, joint ventures, or wholly owned subsidiaries in such detail as to allow the Evaluation Team to be able adequately determine the bidder's corporate structure as described in Appendix B to this RFP. Bidders are required to provide complete and accurate information. Any bidder failing to provide complete and adequate information will not be considered eligible under this solicitation.

In addition, bidders are required to disclose and document any and all direct and indirect affiliations and affiliate relationships, financial or otherwise, between the bidder and any of the Distribution Companies, including any relationship in which any of the Distribution Companies has a financial or voting interest (direct or indirect) in the bidder or the bidder's proposed project. These relationships would encompass, but are not be limited to:

- Corporate or other joint arrangements, joint ventures, joint operations whether control exists or not;
- Minority ownership (less than 50 percent (50%) investee);
- Joint development agreements;
- Operating segments that are consolidated as part of the financial reporting process;
- Related parties with common ownership;
- Credit, debenture, and financing arrangements, whether a convertible equity feature is present or not; and
- Wholly owned subsidiaries.

2.2.1.6 Contract Term

The contract term for Long-Term Contracts is defined by Section 83C as a contract for a period of 15 to 20 years. Within these statutory parameters, bidders are encouraged to make their own determination as to the product delivery term that best fit their needs while meeting the requirements of this RFP. For projects developed in phases and in recognition of the 15 to 20-year contract term specified in Section 83C, the Distribution Companies will consider issuance of multiple contracts. Bidders should indicate their proposed number and timing of contracts.

2.2.1.7 Capacity Requirements

A proposal must describe the amount of capacity, and the capacity commitment period, for which the bidder expects the generation unit in their proposal to qualify under the Forward Capacity Auction Qualification (“FCAQ”) requirements set forth in Section III.13.1 of Market Rule 1 of ISO-NE’s Transmission Markets and Services Tariff and how the bidder expects to meet those requirements. Such requirements include, among others, satisfaction of the Capacity Capability Interconnection Standard and the remedying of any issues identified in the overlapping impact analysis. This FCAQ amount must be consistent with the amount that would typically be expected for similar projects of the same nameplate rating and technology type and location. The Distribution Companies will not purchase capacity under the Long-Term Contracts, and bidders will retain any Forward Capacity Market revenues received from ISO-NE.

Notwithstanding the above, each project must include a commitment to interconnect to the PTF at the Capacity Capability Interconnection Standard.

2.2.1.8 Interconnection and Delivery Requirements

The delivery of Offshore Wind Energy Generation from a generation unit must occur throughout the term of the contract. Substitution of non-Offshore Wind Energy Generation is not allowed for delivery or firming of delivery. It is the responsibility of the bidder to satisfy the delivery requirement. The delivery point must be located so that Distribution Companies are not responsible for wheeling charges to move energy to the PTF. The Distribution Companies will not be responsible for any costs associated with delivery other than the payment of the bid prices. Similarly, Distribution Companies will not be responsible for any scheduling associated with delivery.

The bidder will be responsible for all costs associated with and/or arising from interconnecting its project to the PTF using the Capacity Capability Interconnection Standard and for ensuring that the Offshore Wind Energy Generation is recognized in ISO-NE’s settlement system as injected in the ISO-NE energy market at a specified and agreed upon pricing node.

The Distribution Companies are seeking projects where energy is able to be delivered to their ratepayers without material constraint or curtailment, and the bidder is obligated to demonstrate how this delivery standard is to be satisfied. Bidders must demonstrate that their proposed point of delivery into ISO-NE, along with their proposed interconnection and

transmission upgrades, is sufficient to ensure full delivery of the proposal's Offshore Wind Energy Generation profile. Proposals must include all interconnection and transmission upgrade costs required to ensure full delivery of the proposed Offshore Wind Energy Generation profile, including transmission upgrades that may need to occur beyond the point of interconnection. Proposals that fail to provide sufficient supporting documentation or information necessary to reasonably ensure full delivery of the proposed Offshore Wind Energy Generation profile under a range of assumptions may be eliminated from further evaluation.

At no time will one or more Distribution Companies assume the responsibility of Lead Market Participant, as defined by ISO-NE.

The generation unit shall comply with all ISO-NE and FERC interconnection requirements for generation facilities and interregional ties, as applicable. Any RECs associated with the Offshore Wind Energy Generation and purchased pursuant to the Long-Term Contract must be delivered into the Distribution Companies' NEPOOL GIS accounts.

To meet this requirement, bidders must submit a plan that clearly demonstrates how Offshore Wind Energy Generation will be delivered from or by the proposed eligible project to the delivery point that is a PTF Node as outlined in Section 6 of Appendix B to this RFP.

The bidder must detail the status (and conclusions, as available) of interconnection applications and studies, as further described in Section 6 of Appendix B to this RFP.

All bidders must have filed interconnection requests with ISO-NE as necessary and sufficient to gain a full understanding of the maximum expected interconnection costs for their proposed Offshore Wind Generation capacity(ies), and for the potential Offshore Wind Generation capacity(ies) to be interconnected through their Expandable Transmission Proposals(s). Projects that have received their I.3.9 approval from ISO-NE must identify that approval and include such documentation in their proposal. Proposals for projects that do not have I.3.9 approval from ISO-NE must include technical reports or system impact studies that approximate the ISO-NE interconnection process, including but not limited to clear documentation of study technical and cost assumptions, reasoning, and justification of such assumptions. All studies must assume the project will interconnect using the Capacity Capability Interconnection Standard, must use the current ISO-NE interconnection process (including network impact scenarios from multiple projects interconnecting), and must also detail any assumptions with respect to projects that are ahead of

the proposed project in the ISO-NE interconnection queue and any assumptions as to changes to the transmission system that differ from the current ISO-NE Regional System Plan. Proposals are strongly encouraged to include a scenario analysis in their studies that shows how changes in the project interconnection queue could impact their interconnection costs using the current ISO interconnection rules.

In addition, to the extent that ISO-NE is considering changes to the current interconnection rules, bidders may also submit studies using the new ISO-NE-proposed process. Any such studies must be accompanied with clear documentation of study technical and cost assumptions, reasoning, and justification of such assumptions. The Evaluation Team may consider such additional studies during the evaluation process if applicable, but will not consider submissions based on interconnection processes or rules that have not been proposed by ISO-NE.

2.2.1.9 Proposal Completeness: Bidder Response Forms and the Draft Contracts

Bidders must follow the instructions provided in Appendix B to this RFP and provide complete responses. Bidders are also required to fill out Appendix D to this RFP. Bidders are required to provide the information specified in each section of the CPPD. If any of the information requested is inconsistent with the type of technology or product proposed, the bidder should include “N/A” and describe the basis for this determination. If a bidder does not have the information requested in the bid forms and cannot obtain access to the information prior to the bid submittal due date, the bidder should provide an appropriate explanation, and a subsequent update as described below.

Appendices C-1 and C-2 to this RFP are the form of the Draft Contracts and Appendix C-3 is the Offshore Delivery Facilities Service Requirements for this solicitation. Bidders must include a marked version showing any proposed changes to the Draft Contracts with their bid, and it is assumed that bidders would be willing to execute the marked-up contract included in their bids. Bidders are discouraged from proposing material changes to the Draft Contracts or material deviations from the Offshore Delivery Facilities tariff and contract requirements.

2.2.1.9.1 Bid Fees

Each applicant must submit the bid fee for each proposed eligible project as described in Section 1.10 of this RFP.

2.2.2 Threshold Requirements

Proposals that meet all the eligibility requirements will then be evaluated to determine compliance with threshold requirements, which attempt to screen out proposals that are insufficiently mature from a project development perspective; lack technical viability; impose unacceptable balance sheet impacts on the Distribution Companies; do not satisfy the minimum requirements set forth in Section 83C; are not in compliance with RFP requirements pertaining to credit support; or fail to satisfy minimum standards for bidder experience and ability to finance the proposed project. The threshold requirements for this RFP are set forth below.

2.2.2.1 Site Control and Related Agreements

The bidder must demonstrate that it has a federal lease issued on a competitive basis after January 1, 2012 for an Offshore Wind Energy Generation site that is located on the Outer Continental Shelf and for which no turbine is located within 10 miles of any inhabited area. Further, the bidder must demonstrate that it has a valid lease, or option to lease, for marine terminal facilities necessary for staging and deployment of major project components to the project site. The bidder must also detail the proposed interconnection site, describe what rights the bidder has to the interconnection site, and provide a detailed plan and timeline for the acquisition of any additional necessary rights. The bidder must: (i) specifically describe the portions of the route for which the bidder has acquired sufficient rights to locate its Offshore Delivery Facilities proposed under section 2.2.1.3.,¹³ above, those transmission facilities, and (ii) provide a reasonable and achievable detailed plan (with a timeline) to acquire sufficient rights to the remainder of the necessary Offshore Delivery Facilities locations. The required information and documentation shall include the following:

- i. Plans, including a map of the Offshore Wind Energy Generation site, a map showing the location of the marine terminal facility, the proposed water routes to the project site, a map of the proposed interconnection that includes the path from the Offshore Wind Energy Generation site to the interconnection location, and, to the extent a bid includes associated Offshore Delivery Facilities or

¹³ Thus, site control information as described in this section must be provided for all Offshore Delivery Facilities associated with the bid, whether or not they are proposed in a separate bid component from the Offshore Wind Energy Generation component of the bid.

Project Specific Generator Lead Line proposed under section 2.2.1.3.1 (1), above, a map that shows those facilities' location(s);

- ii. A description of all government – issued permits, approvals, and authorizations that have been obtained or need to be obtained for the use and operation of the Offshore Wind Energy Generation site, the proposed interconnection location, and, to the extent a bid includes associated Offshore Delivery Facilities or Project Specific Generator Lead Line proposed under section 2.2.1.3.1, above, the location(s) of such facilities. Provide copies of any permits, approvals, and authorizations obtained, and a detailed plan and timeline to secure the remaining permits, approvals, and authorizations;
- iii. A copy of each of the leases, agreements, easements, and related documents granting the right to use the Offshore Wind Energy Generation site, the marine terminal for deployment of major project components, and, if available, the interconnection location;
- iv. A copy of each of the related leases, agreements, easements, and related documents that have been obtained for the route of the Offshore Delivery Facilities or Project Specific Generator Lead Line proposed under section 2.2.1.3. above; and,
- v. Provide a description of the area surrounding any land-based project area, including the marine terminal for deployment of major project components and all transmission and interconnection facility locations.

2.2.2.2 Technical and Logistical Viability, Ability to Finance the Proposed Project

The bidder must demonstrate that the technology it proposes to use is technically viable. Technical viability may be demonstrated by showing that the technology is commercially available, is reasonably expected to be commercially available prior to the commencement of project construction, or has been used successfully as outlined in Section 8 of Appendix B to this RFP.

The bidder must demonstrate the logistical viability of the project through a construction plan covering the necessary specialized equipment (e.g. vessels), applicable maritime law (e.g. the Jones Act), and local port facilities to complete project deployment.

The bidder must also demonstrate the financial viability of the proposed eligible project, including the funding of development costs and the required development period security, the reasonableness of the transmission/network upgrades project scope and cost estimates, and the ability to acquire the required equipment in the time frame proposed (see Section 5 of Appendix B to this RFP).

2.2.2.3 Experience

The bidder must demonstrate that it has sufficient relevant experience and expertise, as applicable, to successfully develop, finance, construct, and operate and maintain its proposed eligible project. Development, financing, and construction experience can be established by demonstrating that key member(s) of the bidder's development team have undertaken project management responsibilities, including:

1. Successful development and construction of a similar type of project; or
2. Successful development and construction of one or more projects of similar size or complexity or requiring similar skill sets; or
3. Experience successfully financing power generation or transmission projects (or demonstrating the financial means to finance the eligible project on the bidder's, eligible project developer's or eligible project owner's balance sheet).

Operations and maintenance experience should be addressed as outlined in Section 9 of Appendix B to this RFP.

2.2.2.4 Providing Enhanced Electricity Reliability within the Commonwealth

Section 83C requires that the proposed project must demonstrate that it will "provide enhanced electricity reliability." This requirement can be satisfied by the bidder's agreement to commit any qualifying capacity to ISO-NE exclusively, even if capacity is not included in its bid, as described above. Bidders may provide other demonstrations that will be considered in determining whether this threshold requirement is satisfied.

2.2.2.5 Contribution to Reducing Winter Electricity Price Spikes

The project must demonstrate that the proposed project will contribute to a reduction in winter electricity price spikes.

2.2.2.6 Avoid Line Loss and Mitigating Transmission Costs to the Extent Possible and Ensuring that Transmission Cost Overruns, if any, are not Borne by Ratepayers

The proposed project must demonstrate its approach to avoiding line loss. In addition, Section 83C requires that any transmission cost overruns are not to be borne by ratepayers. All proposals must demonstrate that the proposed project has sufficient safeguards to ensure that any transmission or other Offshore Delivery Facilities cost overruns are not imposed on ratepayers.

2.2.2.6.1 Transmission Cost Containment

Section 83C requires that proposals “mitigate transmission costs to the extent possible and ensure that transmission cost overruns, if any, are not borne by ratepayers.” Bidders must include significant cost containment features in their proposals to meet this requirement. Proposals that include more effective provisions that eliminate or minimize ratepayer exposure to transmission and other Offshore Delivery Facilities cost risks as described in this section will be evaluated more favorably throughout the evaluation process.

While bidders are not limited to any particular types of cost containment, cost containment proposals may include binding commitments to adopt specified rate structures, other measures that prevent ratepayer cost exposure, and/or caps on the following:

- project construction and capital costs;
- the cost of related system upgrades;
- costs arising from changes in interconnection processes or rules; and,
- caps on operation and maintenance and other ongoing costs of a project.

Cost containment provisions may apply differently to different types of costs, so long as the provisions are consistent with a bidder’s approach to estimating the costs of its proposal. A bidder must identify the risks associated with any project cost not subject to a cost containment feature. To the extent there are any circumstances where any specific proposed cost containment feature would not apply, a bidder shall explain such exceptions in sufficient detail to allow for a full assessment of the proposal.

It is the bidder's responsibility to provide sufficient information to allow the Evaluation Team to thoroughly and reliably evaluate the details of any cost containment features proposed by the bidder. Offshore Delivery Facilities bid components should include all information available (e.g., basis and assumptions for such cost estimates, as well as for associated system upgrade costs) to support assessment of the accuracy and reliability of the costs and/or rates proposed.

As outlined in Appendix B to this RFP, the bidder must include a detailed explanation of how its proposal mitigates Offshore Delivery Facilities bid component costs, and ensures that Offshore Delivery Facilities cost overruns, if any, are not borne by ratepayers. Offshore Delivery Facilities bidders must also explain how their proposals comply with any applicable FERC precedent. The requirements in Appendix B to this RFP are minimum requirements. Bidders must provide sufficient documentary support, including examples where appropriate, for their cost containment proposals to allow for a full and transparent evaluation of these proposals.

2.2.2.6.2 Abandonment Costs

If an Offshore Delivery Facilities project accepted under this RFP is cancelled or abandoned, or its development is otherwise discontinued (an event referred to hereinafter as "abandonment"), the bidder shall be allowed to propose to recover prudently-incurred project-related costs ("abandonment costs") from the Distribution Companies in accordance with FERC rules and policies. However, in no event may a bidder recover abandonment costs if the abandonment was caused directly or indirectly by some wrongful act or failure to act of the bidder. In consideration of entering into a Long-Term Contract with the Distribution Companies under this RFP, bidders shall agree not to seek from FERC or any other agency or authority any treatment of abandonment costs inconsistent with this provision.

The evaluation process will value more favorably proposals to the extent that the proposals further eliminate or minimize ratepayer exposure to abandonment cost risk by not seeking abandonment cost recovery or including significant limitations, such as a commitment not to seek recovery for abandonment costs incurred prior to the issuance of this RFP, or another date certain to be proposed by the bidder.

2.2.2.6.3 Offshore Delivery Facilities Costs in the Absence of Energy Delivery

All proposals must include a project schedule as required in the Bidder Response Package in Appendix B to this RFP. Proposals should propose complete critical path schedules, for both Offshore Delivery Facilities and Offshore Wind Energy Generation elements of the project, from the notice of selection for contract consideration to the start of commercial operations (the “Baseline Schedule”). The evaluation process will value more favorably proposals that include mechanisms to protect ratepayers from risks associated with payments for Offshore Delivery Facilities costs when any associated expected Offshore Wind Energy Generation, as proposed by the bidder, is absent, reduced, or curtailed as compared to the Baseline Schedule. The Evaluation Team expects that departures from the commercial operation dates at the end of the Baseline Schedule will result in the following:

1. Offshore Delivery Facilities payments are not required either directly or indirectly, whether in the form of AFUDC, CWIP, or by any other means, prior to the transmission project actually achieving commercial operation.
2. In the event that the Offshore Delivery Facilities project achieves commercial operation prior to the date that some or all of its associated Offshore Wind Energy Generation facilities actually begin producing energy for delivery to the Distribution Companies, Offshore Delivery Facilities payments are reduced in proportion to the shortfall, if any, in energy deliveries relative to the Baseline Schedule.

The Evaluation Team will consider other mechanisms as proposed by the bidder to mitigate ratepayer risk.

2.2.2.7 Adequately Demonstrate Project Viability in a Commercially Reasonable Timeframe

A bidder must demonstrate that its proposal can be developed, financed, constructed and technically viable within a commercially reasonable timeframe.

A proposal that does not have a reasonable schedule that provides sufficient time for the application for, and receipt of, necessary permits,

approvals and other commitments may be determined not to have satisfied this threshold requirement. In addition, a proposal that is determined to have a “fatal flaw” such that it will be unable to obtain permits or property rights necessary to construct the proposed project may be determined not to have satisfied this threshold requirement.

2.2.2.8 Contribution to Employment; Economic Development Benefits

Section 83C requires that, where feasible, a proposed project demonstrate that it creates additional employment and economic development in the Commonwealth. This requirement can be satisfied, for example, by a showing of:

1. Direct employment benefits associated with the proposed project; or,
2. Indirect employment benefits associated with the proposed project; or,
3. Other economic development benefits associated with the proposed project.

The Evaluation Team will consider a broad range of other economic development benefits that could be achieved by a proposed project, including, for example, creating property tax and lease payment revenues, commitments to local workforce training, and providing Offshore Wind Energy Generation at lower costs than other potential projects, and potential environmental benefits to ratepayers. The proposal shall include a timeline of the short-term and long-term economic development benefits.

2.2.2.9 Utilizing an Appropriate Tracking System to Account and Enable for GWSA Goals

The proposed project must demonstrate that it will utilize an appropriate tracking system to ensure a unit specific accounting of the delivery of Offshore Wind Energy Generation, to enable the Department of Environmental Protection, in consultation with the DOER, to accurately measure progress in achieving the Commonwealth’s goals under Chapter 298 of the Acts of 2008 or Chapter 21N of the General Laws.

2.2.2.10 Environmental Impacts

Section 83C requires that, where possible, a proposed project must demonstrate that it mitigates any environmental impacts.

2.2.2.11 Security Requirements

Proposals that are selected will be required to post security.

The required level of security for contracts for each Long-Term Contract is \$20,000 multiplied by the Contract Maximum Amount (as defined in the Draft Contract, Appendix C-1 and C-2 to this RFP) in MW for the generation unit. Fifty percent (50%) of the security must be provided at the time of contract execution. The remaining 50 percent (50%) of the security must be provided upon regulatory approval of the contract. Security will be promptly returned if the applicable regulatory agency does not approve the contract.

The required level of Security for Offshore Delivery Facilities Projects associated with an Expandable Transmission Proposal is \$10,000 per MW. Fifty percent (50%) of the Security must be provided within five business days after the eligible bidder has been notified that it has been selected to file a Rate Schedule or Tariff and Service Agreement with FERC. The remaining fifty percent (50%) of the Security must be provided upon FERC acceptance of the Rate Schedule or Tariff and Service Agreement. Security will be promptly returned if agreement is not reached on the Rate Schedule or Tariff and Service Agreement or if they are not accepted by FERC.

The Distribution Companies will not provide any financial security or parent guaranty under any circumstances.

The required security must be in the form of a cash deposit or a letter of credit from a U.S. commercial bank or the U.S. branch of a foreign bank, in either case having (x) assets on its most recent balance sheet of at least \$10 billion and (y) a credit rating of at least A2/A. More detail on the security requirements is included in the Draft Contracts.

2.2.2.12 Unreasonable Balance Sheet Impacts

A Distribution Company may decline to pursue a proposal if the proposal's terms and conditions would result in a contract obligation that places an unreasonable burden on the Distribution Company's balance sheet. However, Distribution Companies are required to take all reasonable actions to structure their contract pricing or administration for the products purchased to mitigate impacts on the balance sheet or income statement of the Distribution Company or its parent company, subject to approval of the DPU. Mitigation of these measures must not increase costs

to ratepayers. Each Distribution Company retains the right to make such a determination based upon the evaluation of particular proposals.

2.2.2.13 Facilitate Financing of Offshore Wind Energy Generation

Proposals that seek to qualify for consideration under Section 83C must demonstrate that the proposal advances the goal of Section 83C for the selection of cost-effective Long-Term Contracts that facilitate the financing of Offshore Wind Energy Generation resources. The bidder should specify how a Long-Term Contract resulting from this RFP process would either permit it to finance its project that would otherwise not be financeable or assist it in obtaining financing of its project.

2.3 Stage Two—Quantitative and Qualitative Analysis

Proposals that meet the requirements of Stage One will be subject to a quantitative and qualitative analysis in Stage Two, evaluating the costs and benefits of each proposal as a mechanism to procure reliable renewable energy on a long-term basis to the benefit of ratepayers. The results of the quantitative and qualitative analysis will be a relative ranking and scoring of all proposals. Stage Two scoring will be based on a 100-point scale. 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.

2.3.1 Evaluation Using Quantitative Evaluation Criteria

The quantitative evaluation will take place in multiple steps. To begin, the Evaluation Team will undertake a screening process to determine whether one or more proposals are not economically competitive. If the consensus view of the Evaluation Team is that one or more proposals are not sufficiently economically competitive, irrespective of qualitative evaluation results or indirect benefits, then such proposals will not proceed to the full quantitative evaluation.

Proposals that proceed to the quantitative evaluation will be evaluated on their direct and indirect economic and environmental costs and benefits ratepayers as detailed in the following sections.

2.3.1.1 Direct Contract Costs & Benefits

Proposals will be evaluated on both direct contract price costs and benefits and other costs and benefits as outlined below to retail consumers. Direct contract price costs and benefits for evaluation may include, but may not be limited to:

- i. Offshore Wind Energy Generation will be evaluated on a mark-to-market comparison of the price of any eligible

Offshore Wind Energy Generation under a contract to projected market prices at the delivery point with the project in-service;

- ii. Offshore Wind Energy Generation resources will be evaluated using a mark-to-market comparison of the price of any RPS Class I eligible RECs under a contract to their projected market prices at the delivery point with the projected in-service date;
- iii. The cost of the Offshore Delivery Facilities, including associated interconnection and upgrade costs, where the recovery of such costs is not included in the PPA, and expected benefits, if any, of revenue from sales of excess capacity over the Offshore Delivery Facilities; and,
- iv. The costs, benefits, and risks of a proposed Expandable Transmission Project, including a calculation of the avoidance of future net costs to connect future Offshore Wind Energy Generation Projects to onshore delivery points, taking into consideration the network costs and risks of delay or failure of future Offshore Wind Energy Generation Projects, including possible stranded costs to be borne by ratepayers.

2.3.1.2 Other Costs & Benefits to Retail Consumers

The quantitative evaluation process will include an evaluation of additional economic and environmental costs and benefits of the proposals to ratepayers in the Commonwealth, which may include, but may not be limited to:

- i. The impacts of changes in LMP paid by ratepayers in the Commonwealth and/or impact on production costs;
- ii. For proposals greater than 400MW, the opportunity costs and benefits of procuring greater than 400 MW in this solicitation as compared to the anticipated costs and benefits of procuring the installed capacity through a future solicitation;
- iii. Offshore Wind Energy Generation RECs will be evaluated using an economic proxy value for their contribution to GWSA requirements, as determined by the Evaluation Team;

- iv. Additional impacts, if any, from the proposal on the Commonwealth's GHG emission rates and overall ability to meet GWSA requirements;
- v. The economic impacts of any associated energy storage systems including the economic value increased resource firmness, reduced intermittency, and improved delivery during peak periods; and,
- vi. Indirect impacts, if any, for retail ratepayers on the capacity or ancillary services market prices with the proposed project in service.

The reference case system topology will be based on the most recent ISO New England Capacity, Energy, Load and Transmission ("CELT") report. The evaluation process will include an evaluation of benefits using the outputs from an electric market simulation model or models.

2.3.1.3 Quantitative Evaluation Metrics

The quantitative evaluation will use a multi-year net present value analysis to preliminarily rank all projects that pass the initial screening (described in Section 2.2.1 of this RFP). For purposes of computing the net present value, a discount factor consisting of a weighted average value of the Distribution Companies cost of capital will be used.

The Offshore Wind Energy Generation production profile provided by the bidder will be evaluated for reasonableness. The Evaluation Team and the Evaluation Team Consultant will also evaluate the reasonableness of Offshore Delivery Facilities cost estimates, including estimates associated with transmission system upgrades, cost-of-service ratemaking, or modified cost-of-service ratemaking. The bidder is responsible for providing support for the basis for all estimates and underlying assumptions. The Evaluation Team reserves the right to modify any bidder production profile or estimated cost (i.e., use a different profile or estimated cost from that provided by the bidder, or additional transmission system upgrade costs that may be required to ensure full delivery of energy and RECs to the Distribution Companies) or any other estimate in order to produce a reasonable and appropriate evaluation. Proposals that fail to provide sufficient supporting documentation or information necessary to produce a reasonable and appropriate evaluation may be eliminated from further evaluation.

2.3.2 Qualitative Evaluation

The qualitative evaluation will consist of the factors mandated by Section 83C as well as factors deemed important by the Evaluation Team as detailed below.

i. Siting, Permitting, and Project Schedule

- Experience and capability of the bidder and eligible project team (and any associated transmission development team), including experience in the ISO-NE market.
- Credibility of plan to obtain required permit approvals, including the extent to which opposition to the project materially affects the ability of the project to obtain timely final approval.
- Demonstrated progress in the interconnection process and credibility of the proposed interconnection schedule.
- Credibility of project schedule and construction plan, and ability to achieve proposed commercial operation date(s).
- Identification of required federal, regional, state, and local permits and progress in the associated application and approval processes.
- Credibility and status of proposed project cost estimates and financing plan.
- Status and completeness of project stakeholder engagement plan.

ii. Reliability Benefits

- Ability to provide enhanced electricity reliability within the Commonwealth.
- Extent to which the proposal is likely to provide benefits to forward capacity market.
- Extent to which the proposal is likely to provide benefits in the ancillary service market.
- Extent to which the proposal provides ISO-NE with operating flexibility benefits.
- Extent to which the proposed project for Offshore Wind Energy Generation is to be paired with energy storage systems that demonstrate reliability and/ or operational benefits.

iii. Benefits, Costs, and Contract Risk

- Extent to which project scope, including interconnection upgrades and costs are known or estimates are reasonable.
- Extent to which pricing is firm and/or the cost containment measures effectively limit cost risk for customers.
- Extent to which the bidder accepts provisions of the Draft Contracts and/or illustrative terms for Offshore Delivery Facilities project or shifts risk to buyers and their customers.
- Extent to which the bidder has been transparent in describing proposed contract, project costs and tariff and rate terms.
- Extent to which the proposal can provide price certainty, including the REC price, and act as a hedge against price increases and volatility.
- Extent to which an Expandable Transmission Proposal has offered commercially reasonable conditions of service that reflects an appropriate assumption of risk by the provider.

iv. Environmental Impacts from Siting

- Extent to which a project demonstrates that it avoids, minimizes, or mitigates, to the maximum extent practicable, environmental impacts. Factors to be considered include:
 - Experience undertaking environmental impact assessments.
 - Preliminary characterization of the potential environmental impacts, including but not limited to species protected under the Endangered Species Act, and a preliminary plan that highlights the approach to avoid or mitigate these impacts based on best management practices.
 - Any additional information that may demonstrate mitigation of environmental impacts.
- Extent to which the project avoids, minimizes, or mitigates to the maximum extent practicable, potential environmental impacts from siting, including but not limited to, co-location or siting with compatible existing infrastructure.

v. Economic Benefits to the Commonwealth

- Demonstrated ability to create and foster employment and economic development in the Commonwealth, where feasible, including:
 - Direct and/or indirect employment benefits associated with the proposed project; and/or,
 - Specific commitments to economic activity in the Commonwealth, such as leases for water-side facilities and other properties, capital investment, local manufacturing or outfitting of project such as turbine foundations, or use of local suppliers and service providers.
- Demonstrated benefits to low-income ratepayers without adding cost.

The quantitative evaluation may be conducted before the qualitative evaluation, and the Evaluation Team may elect not to conduct the qualitative evaluation for any proposal that could not be selected based upon the quantitative results even if it could receive the maximum possible qualitative score. The Evaluation Team will determine which proposals proceed to Stage Three following the Stage Two evaluation based on the following considerations: (1) the rank order of the proposals at the end of the Stage Two evaluation; (2) the cost effectiveness of the proposals based on the Stage Two quantitative and qualitative evaluation; and (3) the total MW quantities of the proposal(s), relative to the procurement target

2.4 Stage Three

As stated in Section 83C, the Distribution Companies must select Long-Term Contracts that are cost-effective mechanisms for procuring reliable renewable energy on a long-term basis for the benefit of ratepayers. Proposals for more than 400 MW of Offshore Wind Energy Generation will not be selected unless the Evaluation Team determines that a larger-scaled proposal is both superior to other proposals submitted in response to this RFP and is likely to produce significantly more economic net benefits to ratepayers compared to the alternative of procuring the additional MWs in a future solicitation after taking relevant risks into consideration. The Stage Three evaluation of remaining bids will be based on the Stage Two quantitative and qualitative evaluation criteria and, at their discretion, the following additional factors:

- Possible portfolio effect;

- Overall impact of proposals on the Commonwealth’s policy goals, as directed by the DOER, including GWSA goals;
- Risks associated with project viability of the proposals;
- Any risks to ratepayers that may be associated with projects proposing to recover Offshore Delivery Facilities costs through rates not fully captured in the Stage Two Quantitative and Qualitative evaluation;
- A comparison to a reasonable range of data and analyses on expected offshore wind prices, industry costs, and the anticipated cost impact of future technologies;
- Ratepayer bill impacts;
- Any benefits to customers that may not have been fully captured in the Stage Two evaluation; and,
- Any other considerations, as appropriate, to ensure selection of the proposal(s) which provide the greatest impact and value consistent with the stated objectives and requirements of Section 83C, as set forth in this RFP.

The objective of Stage Three is to select the proposal(s) that provides the greatest impact and value consistent with the stated objectives and requirements of Section 83C, as set forth in this RFP. Generally, the Evaluation Team prefers viable, cost-effective projects with limited risk. However, the Evaluation Team recognizes that any particular project may not be ranked highly with respect to all of these considerations and the extent to which the stated RFP objectives will be satisfied will depend, in large part, on the particulars of the proposals that are submitted.

Under Section 83C, if the Distribution Companies are unable to agree on the selection of proposals among themselves, then the DOER in consultation with the Independent Evaluator shall make the final binding determination of the winning bid(s).

2.5 Contracting/Tariff Process

2.5.1 Contracts

Bidders will be notified whether they have been selected to negotiate a Long-Term Contract. If a proposal is selected by the Distribution Companies, then each Distribution Company will negotiate to contract for its load ratio share. Contract finalization between the selected bidders and the Distribution Companies may occur on a rolling basis throughout the 195-day period during which the proposals are valid.

National Grid	NSTAR dba Eversource	WMECO dba Eversource	Unitil
46.16%	45.05%	7.80%	0.99%

2.5.2 Transmission and Other FERC-Jurisdictional Tariffs

Selected bidders will file any necessary Rate Schedules or Tariff and Service Agreements with FERC pursuant to Section 205 of the Federal Power Act. Any allocation of the Offshore Delivery Facilities projects among the Distribution Companies will be based upon their load ratio percentage.

2.6 Contract Negotiation Process

Bidders must be able to begin negotiations immediately upon notification of selection, including the resolution of any conflicts that their selected counsel or other representatives may have with any of the Distribution Companies. The Distribution Companies expect to coordinate their negotiation of Long-Term Contracts with individual bidders, although there will be differences in the contracts that are specific to the contracting requirements of each Distribution Company. The bidders will enter into separate Long-Term Contracts with each Distribution Company with which they contract.

The total energy and/or RECs included in a successful bid will be allocated among the Distribution Companies based upon their total distribution loads in Massachusetts. The Distribution Companies reserve the right to seek improvements (including reduced prices) during the negotiations process with selected bidders.

2.7 Regulatory Approval

The Distribution Companies' obligations to procure Offshore Wind Energy Generation are conditioned upon approval of the Long – Term Contracts, Rate Schedules, and Tariffs and associated cost recovery by the DPU. Once the parties have executed a Long-Term Contract, the Distribution Companies shall submit the executed Long-Term Contract to the DPU for approval.

In the case of rates that fall under federal authority, such charges are subject to the review and approval of FERC pursuant to the Federal Power Act. The Distribution Companies' obligations under such rate schedules are also conditioned upon approval of the associated cost recovery by the DPU.

It is the bidder's responsibility to identify and obtain all required regulatory approvals from the appropriate regulatory authorities. Any bidder requiring regulatory approval by a certain deadline must state that deadline in its proposal, and that deadline will be considered in assessing the overall viability of the eligible project.

2.7.1 DPU Regulatory Process

Under Section 83C the obligations of the Distribution Companies and the successful bidders to perform under each Long-Term Contract shall not become effective or binding until receipt of the approval of the DPU as described in Section 2.6 of this RFP. After a Distribution Company and successful bidder have executed a Long-Term Contract that satisfies the requirements of Section 83C as a result of this RFP process, the Distribution Companies intend to submit the proposed Long-Term Contract to the DPU for review and approval within 45 days of execution, unless circumstances require a longer period to prepare the DPU filing materials.

The DPU has promulgated regulations at 220 C.M.R. § 23.00, *et seq.*, setting forth the criteria for its review pursuant to the requirements of Section 83C. When evaluating a proposed Long-Term Contract under Section 83C, the DPU will consider the recommendations of the AGO, which must be submitted to the DPU within **45 days** of the filing of the proposed contract.

Once the DPU issues a decision approving a Distribution Company's request for approval of an executed Long-Term Contract under Section 83C, the Distribution Company shall have five **(5) business days** after the appeal period has elapsed and after any motions or appeals are resolved to review the form and substance of the DPU's approval. Each Distribution Company shall have the opportunity to terminate the Long-Term Contract if the DPU's approval contains terms or conditions that are deemed to be unsatisfactory to the Distribution Company, in its sole discretion. Terms or conditions that may be unsatisfactory include but are not limited to denial of annual remuneration of up to 2.75 percent of the annual payments under the Long-Term Contract, which is required by Section 83C and is intended to compensate the Distribution Company for accepting the financial obligation of the Long-Term Contract at issue.

2.7.2 FERC

Any FERC-jurisdictional Rate Schedule or Tariff and Service Agreement agreed upon by the applicable Distribution Companies will be filed with FERC under **Section 205 of the Federal Power Act**. FERC must accept the filing before the Rate Schedule or Tariff and Service Agreement can become effective.

3 Instructions to Bidders

3.1 Schedule for the Bidding Process

The proposed schedule for the bidding process is set forth in Chart 1. Any changes to the schedule up to and including the due date for submission of proposals will be posted at

the Distribution Companies website, **MACleanEnergy.com**. The Evaluation Team reserves the right to revise the schedule as necessary. In addition, the Evaluation Team reserves the right to establish a schedule that is different than the one set forth in this RFP.

Chart 1 **RFP Schedule**

Event	Anticipated Dates
Issue RFP	June 29, 2017
Bidders Conference	July 19, 2017
Submit Notice of Intent to Bid	July 26, 2017
Deadline for Submission of Questions	July 26, 2017
Due Date for Submission of Proposals	December 20, 2017
Selection of Projects for Negotiation	April 23, 2018
Negotiate and Execute Long Term Contracts	July 2, 2018
Submit Long Term Contracts for DPU Approval	July 31, 2018

3.2 Bidders Conference; Bidder Questions; Notice of Intent to Bid

A Bidders Conference will be held for interested persons approximately x weeks after the final RFP document is posted on **MACleanEnergy.com**. The purpose of the Bidders Conference is to provide the opportunity to clarify any aspects of this RFP.

Prospective bidders are encouraged to submit questions about this RFP to the Evaluation Team on or before the deadline for submission of questions listed in the schedule. The Evaluation Team will answer questions submitted by that deadline by posting the questions and answers at **MACleanEnergy.com**.

The Evaluation Team will also accept written questions pertaining to the RFP following the Bidders Conference up to the date set forth in Chart 1, above. Both the questions and the written responses will be posted on **MACleanenergy.com** (without identifying the bidder who asked the question).

Although the Evaluation Team may respond orally to questions posed at the Bidders Conference, only written answers that are provided in response to written questions will be official responses.

Prospective bidders are encouraged to submit a Notice of Intent to Bid form within 21 days of the date of this RFP, which is attached as Appendix A to this RFP. Please submit the Notice of Intent to bid to **marfp83c@gmail.com**. The Evaluation Team will endeavor to email updates regarding this RFP process to prospective bidders who submit a Notice of Intent to Bid. This does not relieve bidders of their responsibility to check the website for news and updates. Prospective bidders who submit a Notice of Intent to Bid are not

obligated to submit a proposal, and proposals will be accepted from bidders who do not submit a Notice of Intent to Bid. Any Notices of Intent to Bid that are submitted will be made public so as to encourage potential bidders to match Offshore Wind Energy Generation projects with Offshore Delivery Facilities associated with Expandable Transmission Proposals.

3.3 Preparation of Proposals

Each bidder shall have sole responsibility for carefully reviewing this RFP and all attachments hereto and for thoroughly investigating and informing itself with respect to all matters pertinent to this RFP and its proposal, including pertinent ISO-NE tariffs and documents, market rules, and other information. Bidders should rely only on information provided in this RFP and any associated written updates when preparing their proposals. Each bidder shall be solely responsible for and shall bear all of its costs incurred in the preparation of its proposal and/or its participation in this RFP. Submission of proposals including confidential information shall be filed in accordance with Section 1.7 of the RFP.

3.4 Organization of the Proposal

Bidders are required to organize their proposal consistent with the contents of the Bidder's Response Package in Appendix B to this RFP. The organization and contents of the proposal should be organized as follows:

1. Certification, Project and Pricing Data (CPPD form)
2. Executive Summary of the Proposal
3. Operational Parameters
4. Energy Resource and Delivery Plan
5. Financial/Legal
6. Siting, Interconnection, and Deliverability
7. Environmental Assessment, Permit Acquisition Plan and New Class I RPS Certification
8. Engineering and Technology; Commercial Access to Equipment
9. Project Schedule
10. Construction and Logistics

11. Operations and Maintenance
12. Project Management/Experience
13. Emissions
14. Contribution to Employment and Economic Development and Other Direct and Indirect Benefits
15. Additional Information Required for Transmission Projects (and All System Upgrades Associated with Proposed Transmission Projects)
16. Exceptions to Form PPAs
17. Response to Transmission Tariff/ Contract Requirements

3.5 Updates to the Proposal

Bidders will not be presented with an opportunity to refresh or restate proposals but bidders may provide new information (e.g., the status of obtaining permits and financing) to the Evaluation Team about the eligible project that was not available at the time of their proposal submission. These updates are for informational purposes only and will not be treated as a change or revision to the terms of the bidder's proposal by the Evaluation Team. If there are any material events that affect the validity of the bidder's proposal, the bidder must promptly notify the Evaluation Team in writing. The Evaluation Team reserves the right to consider these material changes during evaluation.

3.6 Modification or Cancellation of the RFP and Solicitation Process

The Distribution Companies may, at any time up to final award, postpone, withdraw and/or cancel this RFP; alter, extend or cancel any schedule date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this RFP, any and all of which shall be without any liability to DOER, the Independent Evaluator, and the Distribution Companies.

By submitting a bid, a bidder agrees that the sole recourse that it may have with respect to the conduct of this RFP is by submission of a complaint or similar filing to the DPU in a relevant docket pertaining to this RFP. Additionally, a bidder agrees to take no action inconsistent with the foregoing limitation.

3.7 Requests for Additional Information

Following the submission of proposals, the Evaluation Team or the Independent Evaluator may request clarification and additional information from bidders at any time during the evaluation process. Such information will be subject to public posting and protection of confidential information as described elsewhere in this RFP, consistent with other bid submission materials. Bidders that do not respond promptly to such information requests or do not provide adequate information may be eliminated from further consideration, or have the information in their proposals modified by the Evaluation Team to produce a reasonable and appropriate evaluation.

3.8 Limitation for Liability

Neither this RFP nor any other aspect of this solicitation shall create an agency, partnership, joint venture, or co-tenancy relationship among the members of the Evaluation Team or any other individuals or entities involved in the development or administration of this RFP (collectively, the “RFP Parties”), nor any other relationship or liability beyond those (if any) explicitly adopted in writing and executed by authorized representatives of the applicable RFP Parties. None of the RFP Parties shall be liable for any act or omission of any other RFP Party. Neither this RFP nor any other aspect of this solicitation creates or is intended to create third-party beneficiaries hereunder. In no event will an RFP Party be liable to any person for special, incidental, punitive, exemplary, indirect or consequential damages or lost profits, whether by statute, in tort or contract or otherwise.

APPENDIX A

NOTICE OF INTENT TO BID

Company Name: _____

Project Name: _____

Contact Person Information:

Name	
Title/Position	
Mailing Address	
Telephone Number	
Fax Number	
Email Address	

Project Size (MW/KV) _____

Project Location: _____

Estimated Commencement of Construction Date (Month-Year): _____

Estimated Commercial Operation Date (Month-Year): _____

Authorized Signature: _____

Title _____ **Date** _____

Bidders should send the Notice of Intent to Bid Form to marfp83C@gmail.com

APPENDIX B

PROPOSAL SUBMISSION INSTRUCTIONS

All proposals shall be submitted in accordance with Section 1.7 of the RFP. Proposals should be organized into the following Sections:

1. Certification, Project and Pricing Data (CPPD form)
2. Executive Summary of the Proposal
3. Operational Parameters
4. Energy Resource and Delivery Plan
5. Financial/Legal
6. Siting, Interconnection, and Deliverability
7. Environmental Assessment, Permit Acquisition Plan and New Class I RPS Certification
8. Engineering and Technology; Commercial Access to Equipment
9. Project Schedule
10. Construction and Logistics
11. Operations and Maintenance
12. Project Management/Experience
13. Emissions
14. Contribution to Employment and Economic Development and Other Direct and Indirect Benefits
15. Additional Information Required for Transmission Projects (and All System Upgrades Associated with Proposed Transmission Projects)
16. Exceptions to Form PPAs
17. Response to Transmission Tariff/ Contract Requirements

Directions for each section are outlined below. Each section must be filled out in its entirety with all of the supporting information requested. If any section is not applicable it should be so stated with a full explanation.

1. CERTIFICATION, PROJECT AND PRICING DATA

The Certification, Project and Pricing Data (“CPPD”) document is a Microsoft Excel workbook that is provided on the website at www.MACleanEnergy.com. The CPPD must be submitted as a working Microsoft Excel file. Parties may also submit a signed PDF in addition to the working Microsoft Excel file. The CPPD document has six parts, listed below. If the bidder provides information in other sections of its proposal that conflicts with the information provided in the CPPD, the CPPD shall be considered to contain the governing and binding information for both the evaluation and any resulting contract offer.¹ The bidder may provide up to five different offers on terms and/or pricing (e.g., 10 year and 15 year) for the same facility, which should be submitted on a single CPPD. All bids must include the appropriate bid fees as described in the body of the RFP in section 1.10 or the bid will be considered not eligible for consideration.

Part I Guidelines and Instructions for completing the spreadsheet

Part II Proposal Certification Form

Part III Bid and Contact Information

Information includes term, pricing type and contact information.

Part IV Project Information

Throughout this document, Project means all physical aspects of the bid, including generation facilities, transmission lead lines to move power to the grid, transmission proposals, and mandatory and voluntary transmission system

¹ One exception is that if operational information in Part VI of the CPPD conflicts with information elsewhere in the proposal or information otherwise known the energy production information in Part VI of the CPPD may be modified in conducting the price evaluation.

upgrades. Information includes actual or expected Commercial Operation Date, size, output, dates, technology, location, delivery point, capacity factor, percentage entitlement, contract maximum amount and other technical information.

Part V Pricing Information

Information includes annual peak and off-peak contract energy by contract year and corresponding prices, and, where applicable, RECs by contract year and corresponding prices, and alternative pricing. Information for up to five offers is input on five separate worksheets in the CPPD.

Part VI Operational Information

Information regarding projected deliverables for Eligible Facilities.

2. EXECUTIVE SUMMARY OF THE PROPOSAL (INCLUDING THE BASE PROPOSAL AND ANY ALTERNATIVE PROPOSALS)

The bidder is required to provide an executive summary of the project proposal that includes a complete description of the proposed generation and/or transmission bid, the proposed contract term and pricing schedule, the overall project schedule and other factors the bidder deems to be important. Expandable Transmission proposals must provide the information requested below for each phase of the expansion and identify all incremental equipment and incremental costs associated with the expandable nature of the plan.

3. OPERATIONAL PARAMETERS

- 3.1 Maintenance Outage Requirements – Specify partial and complete planned outage requirements in weeks or days for all generation facilities and transmission facilities. Also, list the number of months required for the cycle to repeat (e.g., list time interval of minor and major overhauls, and the duration of overhauls).
- 3.2 Operating Constraints – Specify all the expected operating constraints and operational restrictions for the project (i.e., limits on the number of hours a unit may be operated per year or unit of time).
- 3.3 Reliability – Describe how the proposal would provide enhanced electricity reliability to Massachusetts, including its impact on transmission constraints.
- 3.4 Moderation of System Peak Load – Describe how the proposal would contribute to moderating system peak load requirements and provide the following information:

- i) Estimated average output for each summer period (June- September) from 1:00 - 6:00 pm
- ii) Estimated average output for each winter period (October-May) from 5:00 – 7:00 pm

4. ENERGY RESOURCE AND DELIVERY PLAN

4.1 Energy Resource Plan

For Eligible Facilities, the bidder is required to provide an energy resource or fuel supply plan for its proposed project, including supporting documentation. The fuel supply/energy resource profile information should be consistent with the type of technology/resource option proposed and the term proposed. Bidders should respond to all information requests which are relevant to the bid in a timely manner.

All Projects

Provide a summary of all collected wind data for the proposed site. Identify when and how (e.g. meteorological mast or LiDAR – for “Light Detection and Ranging”) the data was collected and by whom.

Indicate where the data was collected and its proximity to the proposed site. Include an identification of the location and height for the anemometers and/or “range gate” heights for sensing by LiDAR that were used to arrive at an assessment of the site generation capability.

Describe any additional wind data collection efforts that are planned or ongoing.

Provide (a) at least one year of hourly wind resource data. Real Data collected from the site is preferred, though projected data is permissible. Methodology must also be included. and (b) a wind resource assessment report from a qualified unaffiliated third-party wind resource assessment firm. Include an analysis of the available wind data which addresses the relationship between wind conditions and electrical output. Provide a projection of net annual energy production, including projections of average net hourly energy production, based on the wind resource data (a 12 x 24 energy projection) at both P50 and P90 levels.

Provide a site-adjusted power curve. Each curve should list the elevation, temperature and air density used.

Identify the assumptions for losses in the calculation of projected annual energy production, including each element in the calculation of losses.

4.2 Offshore Wind Energy Generation Delivery Plan

Please provide an energy delivery plan and profile for the proposed project, including supporting documentation. The energy delivery profile must provide the expected Offshore Wind Energy Generation to be delivered into the ISO-NE market settlement system and permit the Evaluation Team to determine the reasonableness of the projections for purposes of Sections 2.2.1.3 Eligible Bid Categories and 2.2.1.7 Minimum Contract Size of the RFP. Such information should be consistent with the energy resource plan provided above and also considering any and all constraints to physical delivery into ISO-NE.

4.3 REC/Environmental Attribute Delivery Plan

Please provide documentation demonstrating that the project will Deliver GIS Certificates representing those RECs or Environmental Attributes.

5. FINANCIAL/LEGAL

Bidders are required to demonstrate the financial viability of their proposed project. Bidders should provide the following information:

- 5.1 Each bidder is required to submit information and documentation that demonstrates that a long term contract resulting from this RFP Process would either permit the bidder to finance its proposal that would otherwise not be financeable, or assist the bidder in obtaining financing of its proposal.
- 5.2 Please provide a description of the business entity structure of the bidder's organization from a financial and legal perspective, including all general and limited partners, officers, directors, managers, members and shareholders, involvement of any subsidiaries supporting the project, and the providers of equity and debt during project development. Provide an organization chart showing the relationship between the equity and debt participants and an explanation of the relationships. For jointly owned facilities, identify all owners and their respective interests, and document the Bidder's right to submit a binding proposal.
- 5.3 Please provide a description of the financing plan for the project, including construction and term financing. The financing plan should address the following:

- i. Who will finance the project (or are being considered to finance the project) and the related financing mechanism or mechanisms that will be used (i.e. convertible debenture, equity or other) including repayment schedules and conversion features
- ii. The project's existing initial financial structure and projected financial structure
- iii. Expected sources of debt and equity financing
- iv. Estimated construction costs
- v. The projected capital structure
- vi. Describe any agreements, both pre and post commercial operation date, entered into with respect to equity ownership in the proposed project and any other financing arrangement.

In addition, the financing plan should address the status of the above activities as well as the financing of development and permitting costs. All bidders are required to provide this information.

- 5.4 Provide documentation illustrating the experience of the bidder in securing financing for projects of similar size and technology. For each project previously financed provide the following information:
- i. Project name and location
 - ii. Project type and size
 - iii. Date of construction and permanent financing
 - iv. Form of debt and equity financing
 - v. Current status of the project
- 5.5 Please provide evidence that the bidder has the financial resources and financial strength to complete and operate the project as planned.
- 5.6 Provide complete copies of the most recent audited financial statement and annual report for each bidder for each of the past three years; including affiliates of the bidder (if audited statements are not available, reviewed or compiled statements are to be provided). Also, provide the credit ratings from Standard & Poor's and Moody's (the

senior unsecured long term debt rating or if not available, the corporate rating) of the bidder and any affiliates and partners.

- 5.7 Please also include a list of the board of directors, officers and trustees for the past three years and any persons who the bidder knows will become officers, board members or trustees.
- 5.8 The bidder should demonstrate its ability (and/or the ability of its credit support provider) to provide the required security, including its plan for doing so.
- 5.9 Provide a description of any current or recent credit issues/ credit rating downgrade events regarding the bidder or affiliate entities raised by rating agencies, banks, or accounting firms.
- 5.10 Describe the role of the Federal Production Tax Credit or Investment Tax Credit (or other incentives) on the financing of the project.
- 5.11 Bidders must disclose any pending (currently or in the past three years) litigation or disputes related to projects developed, owned or managed by Bidder or any of its affiliates in the United States, or related to any energy product sale agreement.
- 5.12 What is the expected operating life of the proposed project? What is the depreciation period for all substantial physical aspects of the bid, including generation facilities, transmission lead lines to move power to the grid, transmission proposals, and mandatory and voluntary transmission system upgrades?
- 5.13 Has the bidder already obtained financing, or a commitment of financing, for the project? If financing has not been obtained, explain how obtaining a long-term agreement as proposed will help you in obtaining financing for the proposed project, in obtaining more favorable terms for the financing of the proposed project, or in supporting the future capital investment.
- 5.14 State whether the bidder or its affiliates have executed agreements with respect to energy, RECs and/or capacity for the project (including any agreements that have been terminated) and provide information regarding the associated term and quantities, and whether bidder has been alleged to have defaulted under or breached any such agreement.
- 5.15 List all of the Bidder's affiliated entities and joint ventures transacting business in the energy sector.

- 5.16 Has Bidder, or any affiliate of Bidder, in the last five years, (a) consented to the appointment of, or was taken in possession by, a receiver, trustee, custodian or liquidator of a substantial part of its assets, (b) filed a bankruptcy petition in any bankruptcy court proceeding, (c) answered, consented or sought relief under any bankruptcy or similar law or failed to obtain a dismissal of an involuntary petition, (d) admitted in writing of its inability to pay its debts when due, (e) made a general assignment for the benefit of creditors, (f) was the subject of an involuntary proceeding seeking to adjudicate that Party bankrupt or insolvent, (g) sought reorganization, arrangement, adjustment, or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors?
- 5.17 Briefly describe any known conflicts of interest between Bidder or an affiliate of Bidder and any Distribution Company, or any affiliates of the foregoing.
- 5.18 Describe any litigation, disputes, claims or complaints involving the Bidder or an affiliate of Bidder, against any Distribution Company or any affiliate of any Distribution Company.
- 5.19 Describe any litigation, disputes, claims or complaints, or events of default or other failure to satisfy contract obligations, or failure to deliver products, involving Bidder or an affiliate of Bidder, and relating to the purchase or sale of energy, capacity or renewable energy certificates or products.
- 5.20 Confirm that Bidder, and the directors, employees and agents of Bidder and any affiliate of Bidder are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction involving conspiracy, collusion or other impropriety with respect to bidding on any contract, or have been the subject of any debarment action (detail any exceptions).
- 5.21 Identify all regulatory and other approvals needed by Bidder to execute a binding sale agreement.
- 5.22 Describe how the project will conform to FERC's applicable regulatory requirements, including, but not limited to, FERC requirements relating to allocation of transmission capacity and open access, the justness and reasonableness of rates, the potential for undue preference or discrimination, and affiliate dealings, if any. Describe how your proposed approach is consistent with FERC precedent and ratemaking principles.
- 5.23 Describe and document any and all direct and indirect affiliations and affiliate relationships, financial or otherwise in the past three years between the bidder and one

or more of the Distribution Companies and their affiliates, including all relationships in which one of the Distribution Companies has a financial or voting interest (direct or indirect) in the bidder or the bidder's proposed project. These relationships include:

- Corporate or other joint arrangements, joint ventures, joint operations whether control exists or not;
- Minority ownership (50% or less investee);
- Joint development agreements;
- Operating segments that are consolidated as part of the financial reporting process ;
- Related parties with common ownership;
- Credit, debenture, and financing arrangements, whether a convertible equity feature is present or not;
- Wholly owned subsidiaries; and
- Commercial (including real property) relationships with any Distribution Company.

6 SITING, INTERCONNECTION, AND DELIVERABILITY

This section of the proposal addresses project location, siting, real property rights and interconnection issues. Bidders should ensure that the threshold criteria outlined in Section 2.2 of the RFP for generation, transmission proposals, and system upgrades are verified in their responses.

- 6.1 Provide a site plan (or plans) including a map (or maps) that clearly identifies the location of the proposed project site, Delivery Facilities Project route, the assumed right-of-way width, the total acreage for Eligible Facilities, the anticipated interconnection point (or, if applicable, multiple points for a Transmission Project), deployment facilities, and the relationship of the site to other local infrastructure, including transmission facilities, roadways, federal and state waters, and waterways. In addition to providing the required map(s), provide a site layout plan which illustrates the location of all major equipment and facilities on the site.

- 6.2 Identify any real property rights (e.g., fee-owned parcels, rights-of-way, development rights or easements or leases) that provide the right to use the Eligible Facility site and/or Transmission Project route, including, for Eligible Facilities, and any rights of way needed for interconnection.
- i. Does the project have a right to use the Eligible Facility site and/or Transmission Project route for the entire proposed term of the PPA or tariff (e.g., by virtue of ownership or land development rights obtained from the owner)?
 - ii. If so, please detail the Bidder's rights to control the Eligible Facility site and/or Transmission Project route control.
 - iii. Describe the status of acquisition of real property rights, any options in place for the exercise of these rights and describe the plan for securing the necessary real property rights, including the proposed timeline. Include these plans and the timeline in the overall project timeline.
 - iv. Identify any joint use of existing or proposed real property rights
- 6.3 Provide evidence that the Eligible Facility site and/or Transmission Project route is properly zoned or permitted. If the Eligible Facility site and/or Transmission Project route is not currently zoned or permitted properly, identify present and required zoning and/or land use designations and permits and provide a permitting plan and timeline to secure the necessary approvals.
- 6.4 Provide a description of the area surrounding the Eligible Facility site and/or Transmission Project route (including landfall), including a description of the local zoning, flood plain information, existing land or waterway use, and setting.
- 6.5 Describe how the bidder plans to gain interconnection path site control and describe the status of the plan.
- 6.6 Please provide documentation to show evidence of the interconnection request to ISO-NE, the applicable New England Transmission Owner, or any neighboring control areas, to interconnect at the Capacity Capability Interconnection Standard. Please describe the status of any planned interconnection to the grid. Additionally, any studies undertaken by ISO-NE or the bidder must be provided.
- 6.7 The studies should describe the Project's electrical system performance, its impact to the reliability of the New England Transmission system, and how the project would satisfy ISO NE's I.3.9 requirements. The studies must also provide the status of any interconnection studies already underway with ISO-NE and/or the transmission owner.

Provide a copy of an interconnection agreement, if any, executed by the bidder with respect to the proposed project. If an interconnection agreement has not been executed, please provide the steps that need to be completed before an interconnection agreement can be executed and the associated timeline.

- 6.8 If multiple interconnection requests have been made, please specify all such active requests which have not been superseded by subsequent requests and information regarding the status of each. Provide copies of any requests made and studies completed.
- 6.9 Projects that do not have I.3.9 approval from ISO-NE must include technical reports or system impact studies that approximate the ISO-NE interconnection process, including but not limited to clear documentation of study technical and cost assumptions, reasoning, and justification of such assumptions. All studies must assume the project will interconnect using the Capacity Capability Interconnection Standard, must use the current ISO-NE interconnection process (including network impact scenarios from multiple projects interconnecting), and must also detail any assumptions with respect to projects ahead of the proposed project in the ISO-NE interconnection queue and any assumptions as to changes to the transmission system that differ from the current ISO-NE Regional System Plan. Please include a scenario analysis that shows how changes in the project interconnection queue could impact interconnection costs.
- 6.10 To the extent that you provide an alternative interconnection scenario based on ISO-proposed interconnection process changes, you must also include studies using the proposed ISO-NE-proposed process. Any such studies must be accompanied with clear documentation of study technical and cost assumptions, reasoning, and justification of such assumptions.
- 6.11 Provide the electrical models of all energy resources supporting the proposed project in accordance with the filing requirements of the ISO-NE Tariff Schedule 22 and 23.
- 6.12 Provide a copy of an electrical one-line diagram showing the interconnection facilities and the relevant facilities of the transmission and/or distribution provider.
- 6.13 Specify and describe the current or new interconnection facilities (lines, transformers, switching equipment, system control protection, etc.) that bidder owns or is intending to construct or have constructed in order to deliver the proposed energy.
- 6.14 Incremental data requirements for Projects that include Transmission facilities;
 - 1. IDV file(s) in PSSE v32 format modeling only the new/modified Transmission components of the project.

2. If the Bidder does not use PSSE, provide in text format necessary modeling data as follows:

- Line Data: Voltage/Thermal Ratings/Impedances (r, X and B)/Line Length/to and from bus numbers and names
- Transformer data: (including Phase shifting transformers if applicable): Terminal Voltages/Thermal Ratings/Impedance/To and from bus numbers and names
- Reactive compensation models as necessary
- Other changes to the model that would occur due to a Project such as terminal changes for lines/transformer/generator leads/loads etc.

6.15 Please detail with supporting information and studies (as available) that the energy contemplated in your proposal is able to be delivered to the Distribution Companies without material constraint or curtailment.

6.16 Please provide sufficient information and documentation to demonstrate that the proposed point of delivery into ISO-NE, along with their proposed interconnection and transmission upgrades including any transmission upgrades beyond the point of interconnection, is sufficient to ensure full delivery of the proposal's Offshore Wind Energy Generation profile.

7 ENVIRONMENTAL ASSESSMENT, PERMIT ACQUISITION PLAN AND NEW CLASS 1 RPS CERTIFICATION

This section addresses environmental and other regulatory issues associated with project siting, development and operations for both generation and transmission projects, as applicable.

7.1 Provide a list of all the permits, licenses, and environmental assessments and/or environmental impact statements required to construct and operate the project. Along with this list, identify the governmental agencies that are responsible for issuing approval of all the permits, licenses, and environmental assessments and/or environmental impact statements. If a bidder has secured any permit or has applied for a permit, please indicate this in the response.

7.2 Provide the anticipated timeline for seeking and receiving the required permits, licenses, and environmental assessments and/or environmental impact statements. Include a project approval assessment which describes, in narrative form, each segment of the process, the required permit or approval, the status of the request or application and

the basis for projection of success by the milestone date. All requirements should be included on the project schedule in Section 10.

- 7.3 Provide information detailing prior experience in environmental impact assessment process.
- 7.4 Provide a preliminary environmental characterization of the site and project, including both construction and operation. In addition, the bidder should identify environmental impacts associated with the proposed project and any potential impediments to development. A plan to avoid, minimize, or mitigate such impacts or impediments should also be included. The analysis should address each of the major environmental areas presented below, for the proposed project:
- i. Air quality
 - ii. Community
 - iii. Cultural resources
 - iv. Fishery, avian, and marine mammal impacts
 - v. Other ecological biological resources (including endangered species)
 - vi. Landscape and visual
 - vii. Oceanography
 - viii. Sound, noise and vibration
 - ix. Socio-economic and land use
 - x. Traffic and transportation (including Navigation)
 - xi. Water resources (including quality and flood risk)
- 7.5 Provide documentation identifying the level of public support for the project including letters from public officials, newspaper articles, etc. Include information on specific localized support and/or opposition to the project of which the bidder is aware. Provide copies of any agreements with communities and other constituencies impacted by the project, and a stakeholder map with a plan for community engagement activities. Please discuss the status of the stakeholder plan.

- 7.6 Provide documentation demonstrating that the project was or will be qualified as New Class I Renewable Portfolio Standard Eligible Resource under M.G.L. c. 25A, § 11F, and 225 CMR 14.00.
- 7.7 All bidders must include sufficient information and documentation that demonstrates that the bidder will utilize an appropriate tracking system to ensure a unit-specific accounting of the delivery of Offshore Wind Energy Generation, to enable the Department of Environmental Protection, in consultation with DOER, to accurately measure progress in achieving the commonwealth's goals under chapter 298 of the acts of 2008 or Chapter 21N of the General Laws. The RECs associated with Offshore Wind Energy Generation must be delivered into the Distribution Companies' NEPOOL GIS accounts.
- 7.8 Identify any existing, preliminary or pending claims or litigation, or matters before any federal agency or any state legislature or regulatory agency that might affect the feasibility of the project or the ability to obtain or retain the required permits for the project.

8 ENGINEERING AND TECHNOLOGY; COMMERCIAL ACCESS TO EQUIPMENT

This section includes questions pertinent to the engineering design and project technology. This section must be completed for a project that includes new facilities or capital investments for both generation and transmission components if applicable. Bidders should provide information about the specific technology or equipment including the track record of the technology and equipment and other information as necessary to demonstrate that the technology is viable.

- 8.1 Provide a reasonable but preliminary engineering plan which includes the following information:
- i. Type of generation and transmission technology
 - ii. Major equipment to be used (including nacelle, hub, blade, tower, foundation, transmission structures and platforms, electrical equipment and cable)
 - iii. Manufacturer of each of the equipment components listed above as well as the location of where each component will be manufactured.
 - iv. Status of acquisition of the equipment components

- v. Whether the bidder has a contract for the equipment. If not, describe the bidder's plan for securing equipment and the status of any pertinent commercial arrangements
 - vi. Equipment vendors selected/considered
 - vii. Track record of equipment operations
 - viii. If the equipment manufacturer has not yet been selected, identify in the equipment procurement strategy the factors under consideration for selecting the preferred equipment
- 8.2 If the bidder has not yet selected the major equipment for a project, please provide a list of the key equipment suppliers under consideration.
- 8.3 Please identify the same or similar equipment by the same manufacturer that are presently in commercial operation including the number installed, installed capacity and estimated generation for the past three years.
- 8.4 For less mature technologies, provide evidence (including identifying specific applications) that the technology to be employed for energy production is ready for transfer to the design and construction phases. Also, address how the status of the technology is being considered in the financial plan for the project.
- 8.5 Please indicate if the bidder has a full and complete list of equipment needed for all physical aspects of the bid, including generation facilities, turbine support structures, electrical platforms, transmission lead lines, and mandatory and voluntary transmission system upgrades. If not, identify the areas of uncertainty and when the full and complete list of equipment will be identified.
- 8.6 Please indicate if the bidder has secured its equipment for all physical aspects of the bid, including generation facilities, transmission lead lines, and mandatory and voluntary transmission system upgrades. If not, identify the long-lead equipment and describe the timing for securing this equipment.

9 PROJECT SCHEDULE

A bidder must demonstrate that its proposal can be developed, financed, and constructed and be technically viable within a commercially reasonable timeframe. The bidder is required to provide sufficient information and documentation that shows that the bidder's resources, process and schedule are adequate for the acquisition of all rights, permits and approvals for

the project and for the financing of the project consistent with the proposed project milestone dates.

Bidders are required to provide a complete critical path schedule for the project from the notice of selection of the project for contract consideration to the start of commercial operations. For each project element, list the start and end date.

- 9.1 Identify the elements on the critical path. The schedule should include, at a minimum, preliminary engineering, financing, acquisition of real property rights, Federal, state and/or local permits, licenses, environmental assessments and/or environmental impact statements (including anticipated permit submittal and approval dates), completion of interconnection studies and approvals, procurement, facility contracts, start of construction, construction schedule, and any other requirements that could influence the project schedule and the commercial operation date.
- 9.2 Include a discussion on use of maritime vessels and access to them. Also include a description and discussion of the laydown facility/facilities to be used for construction, assembly, staging, storage, and deployment.
- 9.3 Detail the status of all critical path items, such as receipt of all necessary siting, environmental, and ISO-NE approvals.

10 CONSTRUCTION AND LOGISTICS

This section of the proposal addresses necessary arrangements and processes for outfitting, assembly, storage and deployment of major project components such as turbine nacelles, blades, towers, foundations, and transmission support structures. Please provide a construction plan that captures the following objectives:

- 10.1 Please list the major tasks or steps associated with deployment of the proposed project and the necessary specialized equipment (e.g. vessels, cranes).
- 10.2 Please provide documentation to demonstrate site control for all marine terminals and other waterfront facilities that will be used to stage, assemble, and deploy the project for each stage of construction.
 - i. If available, evidence that the bidder or the equipment/service provider have right(s) to use a marine terminal and/or waterfront facility for construction of the offshore wind energy project (e.g., by virtue of ownership or land development rights obtained from the owner).

- ii. If not available, describe the status of acquisition of real property rights for necessary marine terminal and/or waterfront facilities, any options in place for the exercise of these rights and describe the plan for securing the necessary real property rights, including the proposed timeline. Include these plans and the timeline in the overall project schedule.
 - iii. Identify any joint use of existing or proposed real property rights for marine terminal or waterfront facilities.
- 10.3 Please describe the proposed approach for staging and deployment of major project components to the project site. Indicate the number, type and size of vessels that will be used, and their respective roles. Please include specific information on how the bidder's deployment strategy will conform to requirements of the Merchant Marine Act of 1920 (the Jones Act).
- 10.4 List the party (e.g. the bidder, or equipment/service providers under contract to the bidder) responsible for each deployment activity and describe the role of each party. Describe the status of bidder's contractual agreements with third-party equipment/service providers.

11 OPERATION AND MAINTENANCE

Projects that can demonstrate that the operation and maintenance ("O&M") plan, level of funding, and mechanism for funding will ensure reliable operations during the term of the contract or the tariff are preferred.

- 11.1 Provide an O&M plan for the project that demonstrates the long term operational viability of the proposed project. The plan should include the location of the O&M base, a discussion of the staffing levels proposed for the project, the expected role of the project sponsor or turbine manufacturer/outside contractor, scheduling of major maintenance activity, and the plan for testing equipment.
- 11.2 Please provide documentation to demonstrate site control for all marine terminals and other waterfront facilities that will be used to for the O&M.
- i. If available, evidence that the bidder or the equipment/service provider have right(s) to use a marine terminal and/or waterfront facility for O&M of the offshore wind energy project (e.g., by virtue of ownership or land development rights obtained from the owner).
 - ii. If not available, describe the status of acquisition of real property rights for necessary marine terminal and/or waterfront facilities, any options in place for

the exercise of these rights and describe the plan for securing the necessary real property rights, including the proposed timeline. Include these plans and the timeline in the overall project schedule.

- iii. Identify any joint use of existing or proposed real property rights for marine terminal or waterfront facilities.

- 11.3 Describe in detail the proposed O&M funding mechanism and funding levels to support planned and unplanned O&M requirements.
- 11.4 Describe the terms (or expected terms) of the warranties and/or guarantees on major equipment that the bidder is utilizing or proposing to utilize.
- 11.5 Describe the status of the project sponsor in securing any O&M agreements or contracts. Include a discussion of the sponsor's plan for securing a medium-term or long-term O&M contract, including the expected provider of O&M services.
- 11.6 Provide examples of the bidder's experience with O&M services for other similar projects.

12 PROJECT MANAGEMENT/EXPERIENCE

Bidders are required to demonstrate project experience and management capability to successfully develop and operate the project proposed. The Distribution Companies are particularly interested in project teams that have demonstrated success in projects of similar type, size and technology and can demonstrate an ability to work together effectively to bring the project to commercial operation in a timely fashion.

- 12.1 Provide an organizational chart for the project that lists the project participants and identifies the corporate structure, including general and limited partners.
- 12.2 Provide statements that list the specific experience of the bidder and each of the project participants (including, when applicable, the bidder, partners, and proposed contractors), in developing, financing, owning, and operating generating and transmission facilities, other projects of similar type, size and technology, and any evidence that the project participants have worked jointly on other projects.
- 12.3 Provide a management chart that lists the key personnel dedicated to this project and provide resumes of the key personnel. Key personnel of the bidder's development team having substantial project management responsibilities must have:

- i. Successfully developed and/or operated one or more projects of similar size or complexity or requiring similar skill sets; and
 - ii. Experience in financing power generation projects (or have the financial means to finance the project on the bidder's balance sheet).
- 12.4 Provide a listing of all projects the project sponsor has successfully developed or that are currently under construction. Provide the following information as part of the response:
- i. Name of the project
 - ii. Location of the project
 - iii. Project type, size and technology
 - iv. Commercial operation date
 - v. Estimated and actual capacity factor of the project for the past three years
 - vi. Availability factor of the project for the past three years
 - vii. References, including the names and current addresses and telephone numbers of individuals to contact for each reference.
- 12.5 With regard to the bidder's project team, identify and describe the entity responsible for the following, as applicable:
- i. Construction Period Lender
 - ii. Operating Period Lender and/or Tax Equity Provider
 - iii. Financial Advisor
 - iv. Environmental Consultant
 - v. Facility Operator and Manager
 - vi. Owner's Engineer
 - vii. Transmission Consultant
 - viii. Legal Counsel

- 12.6 Provide details of the bidder's experience in ISO-NE Markets. With regard to bidder's experience with ISO-NE markets, please indicate the entity that will assume the duties of Lead Market Participant for your Project. Please provide a summary of the proposed Lead Market Participant's experience with each of the ISO-NE markets.

13. EMISSIONS

- 13.1 Provide emissions estimates based on available data from the unit manufacturer. Alternatively, provide actual emissions data determined in accordance with the paragraph above for a similar facility built within the past 3 years. Include copies of supporting documentation for all emissions estimates.

Project Anticipated Emissions, expressed in pounds/megawatt-hour (lbs/MWh)

Source of Information	Date of Test (if applicable)	Greenhouse Gases (all except methane) Expressed as Carbon Dioxide equivalent (CO ₂ e)	Nitrogen Oxides (NO _x)	Sulfur Oxides (SO _x)	Carbon Monoxide (CO)	Particulate Matter (PM _{2.5})	Methane (CH ₄)

- 13.2 Describe any past investments that will, or have been made to your facility to improve its emissions profile or any planned future investments made to your facility in order to improve its emissions profile.
- 13.3 Describe how your project will contribute to the Massachusetts 2008 Global Warming Solutions Act (GWSA) and the 2010 Clean Energy and Climate Plan for 2020, updated in 2015. Describe how your project will contribute to the Commonwealth's 2030, 2040 and 2050 GHG emission targets and any benefits associated with an earlier operational date.

14. CONTRIBUTION TO EMPLOYMENT AND ECONOMIC DEVELOPMENT AND OTHER DIRECT AND INDIRECT BENEFITS

- 14.1 Please provide an estimate of the number of jobs to be created directly during project development and construction, and during operations, and a general description of the types of jobs created, estimated annual compensation, the employer(s) for such jobs, and the location. Please treat the development, construction, and operation and maintenance periods separately in your response.
- 14.2 Please provide the same information as provided in response to question 14.1 above but with respect to jobs that would be indirectly created as a result of the proposed project.
- 14.3 Please describe any other economic development impacts (either positive or negative) that could result from the proposed project, such as creating property tax revenues, creating lease revenues to public and private parties, or purchasing capital equipment, materials or services for local businesses. Please provide the location(s) where these economic development benefits are expected to occur.
- 14.4 Please describe any tracking or reporting mechanisms, such as an annual report(s) of milestones achieved and jobs created, to verify the contributions to employment and economic development identified in 14.1, 14.2 and 14.3.
- 14.5 To the extent not already specified elsewhere in your response, please address the factors listed in Section 2.2.2.7 and describe any benefits or impacts associated with the proposed project.
- 14.6 Please demonstrate any benefits to low-income ratepayers in the Commonwealth, and the impact, if any, those benefits will have on the cost to the project.

15. ADDITIONAL INFORMATION REQUIRED FOR TRANSMISSION PROJECTS (AND ALL SYSTEM UPGRADES ASSOCIATED WITH PROPOSED TRANSMISSION PROJECTS)

Bids that include Transmission Projects (and all System Upgrades) must also provide the following information:

- 15.1 Transmission Project Information:
- i. Overall project description
 - ii. The operating voltage of the proposed project
 - iii. The type of structures (such as steel towers, poles or jackets) that would be used for the proposed project

- iv. The length of the proposed transmission line and the type(s) of terrain and land ownership of the proposed ROW
- v. The substation facilities (number of breakers, transformers, etc.) required at each terminal of the proposed project and information as to how the new facilities would interconnect to any existing facilities.
- vi. The estimated costs of the proposed project broken out into separate categories as described below for transmission facilities and substation facilities in nominal year dollars.
 - a. For cost of service or modified cost of service proposals:
 - 1. Provide the capital cost estimate presented as a buildup of costs by category, such as environmental, engineering, civil works, materials, equipment, construction, construction management, physical and price contingencies, allowance for funds used during construction (AFUDC), and all other categories for which recovery under FERC would be sought. These categories are illustrative; aggregate costs into the categories most relevant to the development of the proposed project. All costs should be provided in nominal dollars.
 - 2. For projects with transmission and substation components, separate the costs into two rows (e.g. use one row for substation construction and a second for transmission construction). Describe the detailed financial plan on a monthly basis during the construction period, e.g., for 3 years or as long as necessary. The plan should present the costs and financial outlays in each month of the construction period, and the corresponding sources of financing (equity contribution and debt drawdown), as in the following illustrative table. Data should include an estimate of the cost of both physical and price contingencies during the construction period. The financing plan should indicate the ability to finance the construction of the proposed project under base case and contingency scenarios.

3. Describe the proposed financing sources and instruments.
4. Sources of funds for construction and working capital - include name of entity providing debt financing, loan amounts, interest rates, repayment period, grace period during construction; and equity provided by project sponsor.
5. Sources of funds for unexpected repairs or replacement construction during the operating period, e.g., replacement of tower. Note: the operating period is the applicant's estimate of the useful life or accounting life of the transmission project element(s).

If the bidder is proposing fixed-rate pricing rather than cost-of-service or modified cost-of-service pricing, provide sufficient information and assessment to show that the proposed project, including any necessary transmission network upgrades, is financially viable. In this regard, provide capital cost estimates and operation and maintenance cost estimates and the basis for your estimates, including the extent to which estimates are based on vendor contracts or vendor quotes, your experience in the development, construction and/or operation of similar projects, your approach regarding contingency and risk management, and your proposed financing plan. All costs should be provided in nominal dollars, although inflation and cost escalation estimates should be provided. Please describe in detail the due diligence you have conducted in developing your pricing and tariff proposal.

- vii. Provide a proposed schedule for project development through release for operation that includes key critical path items, such as:
 - a. Completion of studies and receipt of approvals needed for the interconnection;
 - b. Material and equipment procurement, including identification of long lead time equipment;

- viii. Bidder must indicate whether it proposes to recover abandonment costs for its transmission project from the Distribution Companies, as described in Section 2.2.2.5.2 of this RFP. If so, Bidder must acknowledge that recovery of any such abandonment costs shall be in accordance with FERC rules and policies, and also acknowledge that in no event will a Bidder seek to recover abandonment costs if the abandonment was caused directly or indirectly by some act or failure to act of the Bidder. Bidder must further affirmatively commit not to seek from FERC or any other agency or authority any treatment of abandonment costs inconsistent with the provisions of Section 2.2.2.5.2 of the RFP. To the extent the Bidder proposes to recover abandonment costs, such proposal should be further described as set forth in Appendix C-3 of this RFP.

15.2 The proposed payment required for the transmission project and all system upgrades.

- i. All proposals must include significant cost containment as stated in the RFP.
- ii. List all situations which may change the proposed payments by consumers during the contract term.
- iii. Identify any limits placed upon the bidder's post-contract term rates according to current FERC rules.
- iv. Identify all other project revenues which may be received by the bidder during the contract term which would not reduce rates paid by consumers.
- v. If the proposed payments may change during the contract term or the proposal is based on cost of service, the bidder must provide the method that transmission owner shall use to determine the payment for the Transmission Project under the transmission Rate Schedule or Tariff and Service Agreement to be filed with FERC. If the proposed payment is a formula rate, the Eligible Bidder must also provide the formula and its proposed inputs that the transmission owner will file with FERC.
- vi. If the proposed payment is based on the Transmission Project's cost of service and may change during the contract term based on changes in the cost of

service, a full revenue requirements model must be included and submitted as a working Excel spreadsheet with the formulas intact.

- a. Provide the annual revenue requirement forecasts for the project – including assumptions. Provide a draft version of the revenue requirement calculation in a format that is similar to what would be included in the Rate Schedule or Tariff and Service Agreement application to FERC, indicating the forecast revenue requirement amounts and all assumptions used in the calculations. This should include but not be limited to the assumptions regarding rate of return, depreciation life, split between debt and capital, AFUDC and weighted cost of capital, and a detailed estimate of the anticipated average annual operating and maintenance cost. Provide the information requested in Section 14.1.a of the Bidder Response Package.
- vii. If the pricing proposed is based on cost of service, detail all cost containment commitments. Examples of such commitments include fixed price components, cost overrun restrictions, or other cost bandwidth provisions that are proposed to limit ratepayer risk must be clearly defined.
- viii. Please include full and complete descriptions of all cost containment measures that you propose to be included in your pricing. Additionally provide any supporting documentation for any savings or methods of savings including cost caps on any portion of your project. Please include working excel spreadsheets to more fully explain how your cost containment measures should work. Please provide details and notes that describe the nexus between the cost containment provisions in your proposal and those supporting documents and spreadsheets. Please provide examples about how any cost containment measures you are proposing would work.
- ix. To the extent that you are proposing different interconnection scenarios that affect cost please include full and complete cost information on each scenario. Please describe all interconnection and transmission upgrade costs required to interconnect at the Capacity Capability Interconnection Standard and to ensure full delivery of the proposed Offshore Wind Energy Generation profile, including transmission upgrades that may need to occur beyond the point of interconnection.
- x. Please describe the coordination of the availability of the Offshore Wind Energy Generation and any associated transmission or distribution facilities. All

proposals must include a project schedule, and proposals including a combination of transmission and Offshore Wind Energy Generation should propose complete critical path schedules, for both elements of the project, from the notice of selection for contract consideration to the start of commercial operations (the “Baseline Schedule”). Please describe all aspects of your proposal that protect ratepayers from risks associated with payments for transmission costs when any associated expected Offshore Wind Energy Generation, as proposed by the bidder, is absent, reduced, or curtailed as compared to the Baseline Schedule.

xi. Please describe your approach to avoid line losses.

15.3 The schedule of the payments defined in 14.2 above including when the payments will commence, how often payments will be required and the length of time over which payments will be required. In no event may payments commence before the Transmission Project is placed in service.

15.4 The design life of the project.

15.5 A description of the reliability benefits of the proposed Transmission Project and its impact on existing transmission constraints.

16. EXCEPTIONS TO FORM PPA

Please attach an explanation of any exceptions to the Form PPA set forth in Appendix C-1. Comments to the proposed Form PPA must include any specific alternative provisions in a redline format to the Form PPA.

17. RESPONSES TO TARIFF REQUIREMENTS

Transmission bids must contain a proposed tariff, rate schedule or transmission service agreement (“Transmission Agreement”) that the Bidder proposes as the vehicle for recovery of its transmission costs from the Distribution Companies and/or interconnecting generation suppliers. In addition, all transmission bids must separately contain a detailed summary of the material provisions of the proposed Transmission Agreement. Such a summary should include, but not be limited to, a discussion of the key provisions set forth in Appendix C-3, as well as a cross-reference to the corresponding sections of the proposed Transmission Agreement where such provisions may be found.

Bidders are discouraged from proposing changes to the Form PPA and or variations from the Proposed Tariff requirements.

APPENDIX C - 1

FORM OF PURCHASE AGREEMENT

[See Separate Document]

APPENDIX C - 2

FORM OF PURCHASE AGREEMENT

[See Separate Document]

APPENDIX C - 3

OFFSHORE DELIVERY FACILITIES NETWORK SERVICE AGREEMENT

APPENDIX D

CERTIFICATION AND AUTHORIZATION

A proposal will be considered incomplete unless all required signatures are provided

The undersigned certifies that he or she is an authorized officer or other authorized representative of the Bidder, and further certifies that:

(1) the Bidder has reviewed this RFP and all attachments and has investigated and informed itself with respect to all matters pertinent to this RFP and its proposal; (2) the Bidder's proposal is submitted in compliance with all applicable federal, state and local laws and regulations, including antitrust and anti-corruption laws; (3) the Bidder is bidding independently and that it has no knowledge of the substance of any proposal being submitted by another party in response to this RFP other than a response submitted by the bidder's affiliate of for a project where the Bidder is also a project proponent or participant, and notice of each such affiliated bid or project must be disclosed in writing with each of the Bidder's and affiliated bidder's proposal; (4) the Bidder has no knowledge of any confidential information associated with development of the RFP; (5) the Bidder's proposal has not been developed utilizing knowledge of any non-public information associated with the development of the RFP; (6) the Bidder has not obtained any confidential bidding-related information directly or indirectly from any of the Distribution Companies, in preparation of its bid; and (7) except as disclosed by the Bidder in the relevant portions of its response, the Bidder is not an Affiliated Company of any Massachusetts investor-owned electric Distribution Company and no Distribution Company which is seeking proposals pursuant to the RFP has a financial or voting interest, controlling or otherwise in the bidder or the bidder's proposed project.

Violation of any of the above requirements may be reported to the appropriate government authorities and shall disqualify the Bidder from the RFP process.

The undersigned further certifies that the prices, terms and conditions of the Bidder's proposal are valid and shall remain open for at least 195 days from the submission date.

The undersigned further certifies that he or she has personally examined and is familiar with the information submitted in this proposal and all appendices thereto, and based on reasonable investigation, including inquiry of the individuals responsible for obtaining the information, the submitted information is true, accurate and complete to the best of the undersigned's knowledge and belief.

The undersigned understands that a false statement or failure to disclose material information in the submitted proposal may be punishable as a criminal offense under applicable law. The undersigned further certifies that that this proposal is on complete and accurate forms as provided without alteration of the text. The undersigned further understands and agrees to the provisions of this RFP related to confidential information, and consents to the limited exchange and sharing of confidential information related to the Bidder's proposal as described in this RFP,

including with members of the Evaluation Team, the Independent Evaluator, ISO-NE, or and adjacent Control Area personnel.

Bidder or Bidder's Authorized Representative

Print or Type Name

Project Title(s) as Submitted to the Evaluation Team

Title

Date

APPENDIX E

MASSACHUSETTS GREEN COMMUNITIES ACT SECTION 83C

Section 83C. (a) In order to facilitate the financing of offshore wind energy generation resources in the commonwealth, not later than June 30, 2017, every distribution company shall jointly and competitively solicit proposals for offshore wind energy generation; and, provided, that reasonable proposals have been received, shall enter into cost-effective long-term contracts. Long-term contracts executed pursuant to this section shall be subject to the approval of the department of public utilities and shall be apportioned among the distribution companies.

(b) The timetable and method for solicitations of long-term contracts shall be proposed jointly by the distribution companies and the department of energy resources using a competitive bidding process, and shall be subject to review and approval by the department of public utilities. The distribution companies, in coordination with the department of energy resources, shall consult with the attorney general regarding the choice of solicitation methods. A solicitation may be coordinated and issued jointly with other New England states or entities designated by those states. The distribution companies may conduct 1 or more competitive solicitations through a staggered procurement schedule developed by the distribution companies and the department of energy resources; provided, that the schedule shall ensure that the distribution companies enter into cost-effective long-term contracts for offshore wind energy generation equal to approximately 1,600 megawatts of aggregate nameplate capacity not later than June 30, 2027; and provided further, that individual solicitations shall seek proposals for no less than 400 megawatts of aggregate nameplate capacity of offshore wind energy generation resources. A staggered procurement schedule developed by the department of energy resources, if applicable, shall specify that a subsequent solicitation shall occur within 24 months of a previous solicitation; provided, however, that the department of public utilities shall not approve a long-term contract that results from a subsequent solicitation and procurement period if the levelized price per megawatt hour, plus associated transmission costs, is greater than or equal to the levelized price per megawatt hour plus transmission costs that resulted from the previous procurement. Proposals received pursuant to a solicitation under this section shall be subject to review by the department of energy resources. If the department of energy resources, in consultation with the distribution companies and the independent evaluator, determines that reasonable proposals were not received pursuant to a solicitation, the department may terminate the solicitation, and may require additional solicitations to fulfill the requirements of this section.

(c) In developing proposed long-term contracts, the distribution companies shall consider long-term contracts for renewable energy certificates for energy and for a combination of both renewable energy certificates and energy. A distribution company may decline to pursue a proposal if the proposal's terms and conditions would require the contract obligation to place an unreasonable burden on the distribution company's balance sheet; provided, however, that the distribution company shall take all reasonable actions to structure the contracts, pricing or administration of the products purchased under this section in order to prevent or mitigate an impact on the balance sheet or income statement of the distribution company or its parent company, subject to the approval of the department of public utilities; provided further, that mitigation shall not increase costs to ratepayers. If a distribution company deems all proposals to be unreasonable, the distribution

company shall, within 20 days of the date of its decision, submit a filing to the department of public utilities. The filing shall include, in the form and detail prescribed by the department of public utilities, documentation supporting the distribution company's decision to decline the proposals. Following a distribution company's filing, and within 4 months of the date of filing, the department of public utilities shall approve or reject the distribution company's decision and may order the distribution company to reconsider any proposal. If distribution companies are unable to agree on a winning bid following a solicitation under this section, the matter shall be submitted to the department of energy resources which shall, in consultation with the independent evaluator, issue a final, binding determination of the winning bid; provided, that the final contract executed shall be subject to review by the department of public utilities. The department of energy resources may require additional solicitations to fulfill the requirements of this section.

(d) The department of public utilities shall promulgate regulations consistent with this section. The regulations shall: (1) allow offshore wind developers of offshore wind energy generation to submit proposals for long-term contracts consistent with this section; (2) require that a proposed long-term contract executed by the distribution companies under a proposal be filed with, and approved by, the department of public utilities before becoming effective; (3) provide for an annual remuneration for the contracting distribution company up to 2.75 per cent of the annual payments under the contract to compensate the company for accepting the financial obligation of the long-term contract, such provision to be acted upon by the department of public utilities at the time of contract approval; (4) require associated transmission costs to be incorporated into a proposal; provided that, to the extent there are transmission costs included in a bid, the department of public utilities may authorize or require the contracting parties to seek recovery of such transmission costs of the project through federal transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory Commission, to the extent the department finds such recovery is in the public interest; and (5) require that offshore wind energy generating resources to be used by a developer under the proposal meet the following criteria: (i) provide enhanced electricity reliability; (ii) contribute to reducing winter electricity price spikes; (iii) are cost effective to electric ratepayers in the commonwealth over the term of the contract, taking into consideration potential economic and environmental benefits to the ratepayers; (iv) avoid line loss and mitigate transmission costs to the extent possible and ensure that transmission cost overruns, if any, are not borne by ratepayers; (v) adequately demonstrate project viability in a commercially reasonable timeframe; (vi) allow offshore wind energy generation resources to be paired with energy storage systems; (vii) where possible, mitigate any environmental impacts; and (viii) where feasible, create and foster employment and economic development in the commonwealth. The department of energy resources shall give preference to proposals that demonstrate a benefit to low-income ratepayers in the commonwealth, without adding cost to the project.

(e) A proposed long-term contract shall be subject to the review and approval of the department of public utilities. As part of its approval process, the department of public utilities shall consider recommendations by the attorney general, which shall be submitted to the department of public utilities within 45 days following the filing of a proposed long-term contract with the department of public utilities. The department of public utilities shall consider the potential costs and benefits of the proposed long-term contract and shall approve a proposed long-term contract if the department finds that the proposed contract is a cost-effective mechanism for procuring reliable renewable energy on a long-term basis, taking into account the factors outlined in this section. A distribution company shall be entitled to cost recovery of payments made under a long-term contract approved under this section.

(f) The department of energy resources and the attorney general shall jointly select, and the

department of energy resources shall contract with, an independent evaluator to monitor and report on the solicitation and bid selection process in order to assist the department of energy resources in determining whether a proposal received pursuant to subsection (b) is reasonable and to assist the department of public utilities in its consideration of long-term contracts filed for approval. To ensure an open, fair and transparent solicitation and bid selection process that is not unduly influenced by an affiliated company, the independent evaluator shall: (1) issue a report to the department of public utilities analyzing the timetable and method of solicitation and the solicitation process implemented by the distribution companies and the department of energy resources under subsection (b) and include recommendations, if any, for improving the process; and (2) upon the opening of an investigation by the department of public utilities into a proposed long-term contract for a winning bid proposal, file a report with the department of public utilities that summarizes and analyzes the solicitation and the bid selection process, and provide the independent evaluator's assessment of whether all bids were evaluated in a fair and objective manner. The independent evaluator shall have access to the information and data related to the competitive solicitation and bid selection process that is necessary to fulfill the purposes of this subsection; provided, however, that the independent evaluator shall ensure that all proprietary information remains confidential. The department of public utilities shall consider the findings of the independent evaluator and may adopt recommendations made by the independent evaluator as a condition for approval. If the independent evaluator concludes in the findings that the solicitation and bid selection of a long-term contract was not fair and objective and that the process was substantially prejudiced as a result, the department of public utilities shall reject the winning bid proposal.

(g) The distribution companies shall each enter into a contract with the winning bidders for their apportioned share of the market products being purchased from the project. The apportioned share shall be calculated and based upon the total energy demand from all distribution customers in each service territory of the distribution companies.

(h) A distribution company may elect to use any energy purchased under such contracts for sale to its customers and may elect to retain renewable energy certificates to meet the applicable annual renewable portfolio standard requirements under said section 11F of said chapter 25A. If the energy and renewable energy certificates are not so used, the distribution companies shall sell the purchased energy into the wholesale market and, provided that the department of energy resources has not notified the distribution company that the renewable energy certificates should be retained to facilitate reaching emission reduction targets pursuant to [chapter 298 of the acts of 2008](#) or [chapter 21N of the General Laws](#), shall sell the purchased renewable energy certificates to minimize the costs to ratepayers under the contract; provided, however, that the department of energy resources shall conduct periodic reviews to determine the impact on the energy and renewable energy certificate markets of the disposition of energy and renewable energy certificates under this section. The department of energy resources may issue reports recommending legislative changes if it determines that said disposition of energy and renewable energy certificates is adversely affecting the energy and renewable energy certificate markets.

(i) If a distribution company sells the purchased energy into the wholesale market and sells the renewable energy certificates, the distribution company shall net the cost of payments made to projects under the long-term contracts against the net proceeds obtained from the sale of energy and renewable energy certificates, and the difference shall be credited or charged to all distribution customers through a uniform fully reconciling annual factor in distribution rates, subject to review and approval of the department of public utilities.

(j) A long-term contract procured under this section shall utilize an appropriate tracking system to ensure a unit specific accounting of the delivery of clean energy, to enable the department of

environmental protection, in consultation with the department of energy resources, to accurately measure progress in achieving the commonwealth's goals under [chapter 298 of the acts of 2008](#) or [chapter 21N of the General Laws](#).

(k) The department of energy resources and the department of public utilities may jointly develop requirements for a bond or other security to ensure performance with the requirements of this section.

(l) The department of energy resources may promulgate regulations necessary to implement this section.

(m) If this section is subjected to a legal challenge, the department of public utilities may suspend the applicability of the challenged provision during the pendency of the action until a final resolution, including any appeals, is obtained and shall issue an order and take other actions as are necessary to ensure that the provisions not subject to the challenge are implemented expeditiously to achieve the public purposes of this section.

APPENDIX F

CONFIDENTIAL INFORMATION

CONFIDENTIAL INFORMATION WITH RESPECT TO MASSACHUSETTS

With respect to the Commonwealth of Massachusetts, and subject to the confidentiality provisions described above for information associated with this solicitation in the possession of the Commonwealth of Massachusetts, the Massachusetts Distribution Companies shall use commercially reasonable efforts to treat the confidential information that they receive from bidders in a confidential manner and not, except: (1) as required by law; (2) pursuant to a request for information in a regulatory or judicial proceeding; or (3) pursuant to a request for information by a public utilities commission with supervisory authority over any of the Massachusetts Distribution Companies, disclose such information to any third party or use such information for any purpose other than in connection with this RFP; provided, however, that if such confidential information is sought in any regulatory or judicial inquiry or proceeding or pursuant to a request for information by a public utilities commission with supervisory authority over any of the Massachusetts Distribution Company, the Massachusetts Distribution Companies shall take reasonable steps to limit disclosure and use of said confidential information through the use of non-disclosure agreements or requests for orders seeking protective treatment, and shall inform the bidders that the confidential information is being sought. Bidders are advised that the Massachusetts Distribution Companies will share bid information with (a) the Massachusetts DOER and the MA AGO to facilitate DOER's and the MA AGO's ability to perform their roles under Section 83C, which include their obligations to assess: (1) the process followed by the Massachusetts Distribution Companies; and (2) the merits of one or more PPAs proposed for approval to the MDPU and (b) the Independent Evaluator to facilitate the Independent Evaluator's performance of its role pursuant to Section 83C and this RFP. Pursuant to G.L. c. 25A, § 7, DOER has statutory authority to protect price, inventory and product delivery data. Notwithstanding the foregoing, in the event such confidential information is shared pursuant to a request for confidential treatment and confidential treatment is not afforded, the Massachusetts Distribution Companies shall not be held responsible. Similarly, bidders shall use commercially reasonable efforts to treat all confidential information received from the Massachusetts Distribution Companies in a confidential manner and will not, except as required by law or in a regulatory or judicial proceeding, disclose such information to any third party or use such information for any purpose other than in connection with this RFP; provided, however that if such confidential information is sought in any regulatory or judicial proceeding, the bidders shall take reasonable steps to limit disclosure and use of said confidential information through the use of non-disclosure agreements or requests for orders seeking protective treatment, and shall inform the Massachusetts Distribution Companies that the confidential information is being sought.

Bidders are advised that, per MDPU requirements, confidential bidder information may be disclosed during the MDPU approval process to parties that are granted intervenor status in the proceeding. In past proceedings, intervenor status has been granted to competitive suppliers and industry trade groups, and therefore, confidential bidder information has been required to be disclosed to legal counsel and/or a third-party consultant retained by the intervenor for purposes of the proceeding.

Bidders are advised that, for any requests of the Massachusetts Distribution Companies for bidder information other than as described in the previous two paragraphs, the Massachusetts Distribution Companies will recommend that the party seeking bidder information contact the bidder directly to request such information and negotiate a non-disclosure agreement, as necessary.

APPENDIX G

UTILITY STANDARD OF CONDUCT

APPENDIX H

BID SUBMITTAL INSTRUCTIONS

BID SUBMITTAL

Bids must be submitted as both confidential and public and should be delivered marked as such on separate CD ROMS. A copy of the confidential version and a separate copy of the public version of the bids should be submitted to each of the contacts below in the quantities specified.

Department of Energy Resources

1 Copy of Each Version

c/o Judith Judson
Commissioner
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Unitil

1 Copy of Each Version

c/o Lisa Glover
Energy Analyst
Unitil Service Corp.
6 Liberty Lane
Hampton, NH 03842-1720

Eversource Energy

1 Copy of Each Version

c/o Jeffery S. Waltman
Manager, Planning & Power Supply
247 Station Drive, NE220
Westwood, MA 02090

National Grid

3 Copies of Each Version

c/o Corinne DiDomenico
Manager, Environmental Transactions
100 East Old Country Road
Energy Procurement, 2nd Floor

Hicksville, NY 11801

Independent Evaluator

1 Copy of Each Version

c/o Paul Gromer
Peregrine Energy Group
2 Oliver Street, 8th Floor
Boston, MA 02109

BID FEE REMITTANCE

The bid fee should be calculated based upon the instructions in section 1.10 of the body of the RFP. The total fee should then be remitted to each electric distribution company listed below in the percentages listed in the table below. Calculation is made in the last column of the table for a hypothetical \$10,000 bid fee.

Payment must be submitted to each electric distribution company via wire transfer. Upon request, wire transfer information will be made available. Please send wire transfer information requests to the email address: marfp83C@gmail.com.

<u>Example Bid Fee Calculation</u>		
Unitil	0.99%	\$ 99
National Grid	46.16%	\$ 4,616
Eversource Energy	52.85%	\$ 5,285
Total	100.00%	\$ 10,000



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 17-103

June 21, 2017

Joint Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid, and NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy, for approval of a proposed timetable and method for the solicitation and execution of long-term contracts for offshore wind, pursuant to Section 83C of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12.

APPEARANCES: William D. Hewitt, Esq.
Roach Hewitt Ruprecht Sanchez & Bischoff, PC
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Portland, Maine 04101
FOR: FITCHBURG GAS AND ELECTRIC LIGHT
COMPANY
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-and-

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Boston, Massachusetts 02110
FOR: MASSACHUSETTS ELECTRIC COMPANY
AND NANTUCKET ELECTRIC COMPANY
Petitioners

D.P.U. 17-103

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Danielle Winter, Esq.
Jessica Buno Ralston, Esq.
Keegan Werlin LLP
265 Franklin Street
Boston, Massachusetts 02110

FOR: NSTAR ELECTRIC COMPANY

-and-

WESTERN MASSACHUSETTS ELECTRIC
COMPANY

Petitioners

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I. INTRODUCTION AND PROCEDURAL HISTORY

On April 28, 2017, Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”), Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid (“National Grid”), and NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy (“Eversource Energy”) (together, “electric distribution companies” or “Petitioners”) jointly filed a request with the Department of Public Utilities (“Department”) pursuant to Section 83C of An Act Relative to Green Communities, St. 2008, c. 169 (“Section 83C”),¹ for approval of a proposed timetable and method for the solicitation and execution of long-term contracts for offshore wind energy generation through a request for proposals (“RFP”) process.² The Department docketed this matter as D.P.U. 17-103.

On April 28, 2017, the Commonwealth of Massachusetts Department of Energy Resources (“DOER”) submitted a letter in support of the Petitioners’ proposed RFP. On May 1, 2017, the Department requested comments on the petition from interested persons. D.P.U. 17-103, Notice of Filing and Request for Comments (May 1, 2017). On May 5, 2017, pursuant to Section 83C, Peregrine Energy Group, Inc. (“Peregrine”), in its role as

¹ Section 83C was added to the Green Communities Act by An Act to Promote Energy Diversity, St. 2016, c. 188, § 12.

² The electric distribution companies filed a revised RFP on May 5, 2017 to provide clarification to certain sections and to correct spelling, grammar and spacing issues. All references herein to the RFP will refer to the May 5, 2017 revised RFP.

Independent Evaluator (“IE”), submitted an Independent Evaluator Report (“IE Report”).³ On May 15, 2017, the following entities submitted initial comments: Associated Industries of Massachusetts (“AIM”); the Attorney General of the Commonwealth (“Attorney General”); Bay State Wind LLC (“Bay State Wind”); the Conservation Law Foundation (“CLF”); The Nature Conservancy; collective comments of the National Wildlife Federation, Natural Resources Defense Council, Environmental League of Massachusetts, Mass Audubon, Union of Concerned Scientists, Environment Massachusetts Research & Policy Center, Toxics Action Center, Massachusetts Climate Action Network, Massachusetts Sierra Club, and Clean Water Action (“Environmental Nonprofits”); 1,247 Massachusetts residents through the National Wildlife Federation, Environmental League of Massachusetts, Conservation Law Foundation, Environment Massachusetts Research & Policy Center, and 350 Massachusetts (“MA Residents”); FirstLight Power Resources (“FLPR”); TransCanada Facility USA, Inc. (“TransCanada”); RENEW Northeast, Inc. (“RENEW”); Anbaric Development Partners (“Anbaric”); Deepwater Wind; Vineyard Wind, LLC (“Vineyard Wind”); Willett Kempton of the University of Delaware College of Earth, Ocean, & Environment (“UD Comments”); and Senator Julian Cyr and Representative Dylan Fernandes (collectively, the “Legislators”). On May 22, 2017, the following entities submitted reply comments: Anbaric; Bay State Wind;

³ The IE’s role is to monitor and report on the solicitation and bid selection process in order to assist DOER in determining whether a proposal is reasonable and to assist the Department in its consideration of long-term contracts filed for approval. Section 83C(f); 220 CMR § 23.04(6).

and the Petitioners. DOER also submitted reply comments in support of the proposed RFP.

The Petitioners responded to 18 information requests.⁴

Pursuant to Section 83C, the electric distribution companies are required to jointly and competitively solicit proposals for Offshore Wind Energy Generation not later than June 30, 2017;⁵ and, provided that reasonable proposals have been received, shall enter into cost-effective long-term contracts for Offshore Wind Energy Generation equal to 1,600 megawatts (“MW”) of aggregate nameplate capacity not later than June 30, 2027. St. 2016, c. 188, § 12; 220 C.M.R. § 23.00 et seq. In developing the provisions of long-term contracts, the electric distribution companies shall consider long-term contracts for renewable energy certificates (“RECs”) for energy or for a combination of RECs and energy, if applicable. St. 2016, c. 188, § 12; 220 C.M.R. § 23.04(1). The electric distribution companies, in coordination with DOER, shall consult with the Attorney General regarding the choice of solicitation methods. St. 2016, c. 188, § 12; 220 C.M.R. § 23.04(2). The electric distribution companies and DOER shall jointly propose a timetable and method for the solicitation and execution of long-term contracts. St. 2016, c. 188, § 12; 220 C.M.R.

⁴ The Department, on its own motion, enters into the evidentiary record the Petitioners’ April 28, 2017 filing, the Petitioners’ May 5, 2017 Revised Filing, the IE Report, and responses to information requests DPU 1-1 through DPU 1-18. 220 C.M.R. § 1.10(3).

⁵ Offshore Wind Energy Generation means offshore electric generating resources derived from wind that: (a) are Class I renewable energy generating sources as defined in M.G.L. c. 25A, § 11F; (b) have a commercial operations date on or after January 1, 2018, which has been verified by DOER; and (c) operate in a designated wind energy area for which an initial federal lease was issued on a competitive basis after January 1, 2012.

§ 23.04(2). The timetable and method for the solicitation and execution of such contracts are subject to review and approval by the Department. St. 2016, c. 188, § 12; 220 C.M.R.

§ 23.04(2).

An electric distribution company may decline to pursue proposals having terms and conditions that would require the contract obligation to place an unreasonable burden on the company's balance sheet. St. 2016, c. 188, § 12; 220 C.M.R. § 23.04(7). All proposed long-term contracts are subject to the review and approval of the Department prior to becoming effective. As part of its review and approval process for any proposed long-term contracts, the Department must take into consideration recommendations from the Attorney General, which must be submitted to the Department within 45 days following the filing of contracts with the Department. St. 2016, c. 188, § 12; 220 C.M.R. § 23.05(2). Section 83C provides that the Department shall consider both the potential costs and benefits of such contracts and shall approve a contract only upon a finding that it is a cost-effective mechanism for procuring reliable renewable energy on a long-term basis taking into account the factors outlined in this section. St. 2016, c. 188, § 12; 220 C.M.R. § 23.05(1)(b).

If DOER, in consultation with the electric distribution companies and the IE,⁶ determines that reasonable proposals were not received pursuant to a solicitation, DOER may

⁶ Section 83C requires that DOER and the Attorney General jointly select, and DOER contract with, an IE to submit a report to the Department analyzing the timetable and method for solicitation and the solicitation process implemented by the electric distribution companies and DOER, including recommendations, if any, for improving the process. See Section III, below, for further discussion of the IE's role in this solicitation.

terminate the solicitation, and may require additional solicitations to fulfill the requirements of Section 83C. St. 2016, c. 188, § 12; 220 C.M.R. § 23.04(9). If an electric distribution company deems all proposals to be unreasonable, it shall submit a filing to the Department within 20 days of the date of its decision, including documentation to support its decision. St. 2016, c. 188, § 12; 220 C.M.R. § 23.04(12). Within four months of the date of an electric distribution company's filing, the Department must approve or reject that company's decision and may order the electric distribution company to reconsider any proposal. St. 2016, c. 188, § 12; 220 C.M.R. § 23.04(12). If the electric distribution companies are unable to agree on a winning bid following a solicitation, the matter shall be submitted to DOER which shall, in consultation with the IE, issue a final, binding determination of the winning bid, provided that the executed contract is subject to review by the Department. St. 2016, c. 188, § 12; 220 C.M.R. § 23.04(11). In this Order, we assess whether the timetable and method of solicitation and execution of long-term contracts in the electric distribution companies' proposed RFP comply with Section 83C and 220 C.M.R. § 23.00 et seq.

II. SUMMARY OF THE PETITION

A. Introduction

The Petitioners jointly developed and seek approval of a proposed timetable and method for the solicitation and execution of the long-term contracts for Offshore Wind Energy Generation in accordance with Section 83C (Petitioners Cover Letter at 1). The Petitioners state that they developed the RFP in conjunction with DOER, and that they consulted with the Attorney General during the RFP's development (Petitioners Cover Letter at 2). The RFP

states that its fundamental purpose is to satisfy the policy directives encompassed within Section 83C and to assist the Commonwealth with meeting its Global Warming Solution Act (“GWSA”) goals (RFP § 1.1).⁷ The RFP states that Section 83C requires that the electric distribution companies, in coordination with DOER: (1) solicit proposals for Offshore Wind Energy Generation in a fair and non-discriminatory fashion; and (2) enter into cost-effective long-term contracts for Offshore Wind Energy Generation (Petitioners Cover Letter at 2). The Petitioners state that the standards and criteria set forth in this RFP are designed so that the proposals selected for contract negotiations will satisfy Section 83C by facilitating financing, and providing a cost-effective source of long-term Offshore Wind Energy Generation to the Commonwealth (Petitioners Cover Letter at 2).

The RFP solicits two categories of bids: (1) Offshore Wind Energy Generation with a project-specific generator lead line proposal; and (2) Offshore Wind Energy Generation with an expandable transmission proposal under a Federal Energy Regulatory Commission (“FERC”) tariff (RFP § 2.2.1.3).

The Petitioners state that the RFP is the first solicitation set forth in Section 83C and is part of a staggered procurement schedule for a total of approximately 1,600 MW of Offshore Wind Energy Generation (Petitioners Cover Letter at 2). Through this solicitation, the Petitioners state that they are seeking to procure 400 MW of Offshore Wind Energy

⁷ The RFP states that the GWSA requires the Commonwealth to establish goals and meet targets for the reduction of greenhouse gas emissions by 2020, 2030, 2040, and 2050 (RFP § 1.2). The Commonwealth has established specific goals requiring a reduction of 25 percent below 1990 levels by 2020 and a reduction of 80 percent below 1990 levels by 2050 (RFP § 1.2).

Generation, and will consider procuring up to 800 MW if the Evaluation Team determines that a larger-scaled proposal is both superior to other proposals, and likely to produce significantly more economic net benefits to ratepayers compared to the alternative of procuring additional capacity in future solicitations after consideration of relevant risks (Petitioners Cover Letter at 2-3). The Petitioners state that the precise amount of Offshore Wind Energy Generation for which the electric distribution companies would execute contracts through this solicitation will depend upon the bids submitted and ensuing contract negotiations (Petitioners Cover Letter at 3).

B. Bid Evaluation Process

Under the RFP, the evaluation of bids will occur in three distinct stages: (1) review of bids for eligibility and threshold requirements; (2) quantitative and qualitative evaluation of bids; and (3) final evaluation to ensure selection of viable projects that provide cost-effective, reliable Offshore Wind Energy Generation with limited risk (RFP § 2.1). During any stage of the bid evaluation process, the Evaluation Team reserves the right to disqualify and eliminate from further consideration any proposal that it reasonably believes does not meet the RFP's eligibility requirements (RFP § 2.1).⁸ During any stage of the procurement process, if the Evaluation Team determines that a proposal is deficient and missing applicable information needed to continue the evaluation process, the Evaluation Team will notify the respective

⁸ The Evaluation Team consists of the electric distribution companies and DOER (Petitioners Cover Letter at 2). The Evaluation Team will engage an Evaluation Team Consultant to assist the Evaluation Team with the technical methodologies and findings for eligible proposals (RFP at Definitions).

bidder and permit the bidder a reasonable opportunity to cure the deficiency and/ or supply the missing information (RFP § 2.1). Following the bid evaluation process, the electric distribution companies and DOER will consider the evaluation results and project rankings to determine projects for selection (RFP § 1.4). The electric distribution companies will be responsible for negotiation and execution of any final contracts, and DOER will have the opportunity to monitor contract negotiations between the electric distribution companies and selected bidders (RFP § 1.4).

1. Stage One

During Stage One, the Evaluation Team will review proposals to ensure that they satisfy certain eligibility, threshold, and other minimum requirements (RFP § 2.2.1). To be eligible to participate in the solicitation, a bidder must be a developer of Offshore Wind Energy Generation or in possession of the development rights to Offshore Wind Energy Generation (RFP § 2.2.1). Additionally, the RFP contains eligibility requirements regarding: (1) the allowable forms of pricing; (2) bidder disclosure of affiliations and affiliate relationships; (3) a contract between 15 and 20 years; minimum generating capability of 400 MW;⁹ (4) capacity requirements; interconnection and delivery requirements; proposal completeness; and (5) bid fees (RFP § 2.2.1).

The Evaluation Team will review bids that meet the eligibility requirements to determine whether they comply with threshold requirements, which, according to the

⁹ A bidder may submit a proposal for up to 800 MW, and may also submit alternative proposals with a nameplate capacity of no less than 200 MW and no greater than 800 MW (RFP § 2.2.1.2).

Petitioners, are intended to screen out proposed projects that: (1) are insufficiently mature from a project development perspective; (2) lack technical viability; (3) impose unacceptable balance sheet impacts on the electric distribution companies; (4) do not satisfy the minimum requirements set forth in Section 83C; (5) are not in compliance with RFP requirements pertaining to credit support; or (6) fail to satisfy minimum standards for bidder experience and ability to finance the proposed project (RFP § 2.2.2).

2. Stage Two

In Stage Two, the Evaluation Team scores and ranks bids that meet the requirements of Stage One evaluation based on the results of quantitative and qualitative analyses (RFP § 2.3). The Evaluation Team will score proposals on a 100 point scale, with 75 points possible for quantitative factors and 25 points possible for qualitative factors (RFP § 2.3).

The Stage Two quantitative analysis process takes place in multiple steps. The first step consists of a screening process during which the Evaluation Team directly compares bids to determine whether bids are economically competitive when compared to other bids (RFP § 2.3.1). The Evaluation Team will remove from further consideration bids that are, in the consensus of the Evaluation Team, not economically competitive (RFP § 2.3.1). The Evaluation Team will consider bids that it deems to be economically competitive based on their direct and indirect economic and environmental costs and benefits (RFP § 2.3.1).

Direct contract price costs and benefits include, but are not limited to: (1) an evaluation of Offshore Wind Energy Generation on a mark-to-market comparison of the price of any eligible Offshore Wind Energy Generation under a contract to projected market prices

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at the delivery point with and without the project in-service; (2) an evaluation of RPS Class I eligible resources on a mark-to-market comparison of the price of any eligible Offshore Wind Energy Generation under a contract to projected market prices at the delivery point with and without the project in-service; (3) the cost of the offshore delivery facilities, including associated interconnection and upgrade costs, where the recovery of such costs is not included in the Power Purchase Agreement (“PPA”), and expected benefits, if any, of the revenue from sales of excess capacity over the offshore delivery facilities; and (4) the costs, benefits, and risks of a proposed expandable transmission project, including a calculation of the avoidance of future net costs to connect future Offshore Wind Energy Generation projects to onshore delivery points, taking into consideration the network costs and risks of delay or failure of future Offshore Wind Energy Generation projects, including possible stranded costs to be borne by ratepayers (RFP § 2.3.1.1). The quantitative evaluation will use a multi-year net present value analysis to preliminarily rank all projects that pass the initial screening (RFP § 2.3.1.3).

Additional economic and environmental costs and benefits that the Evaluation Team may take into consideration include, but are not limited to: (1) impacts of changes in locational marginal price (“LMP”) paid by ratepayers in the Commonwealth and/or impact on production costs; (2) for proposals greater than 400 MW, the opportunity costs and benefits of procuring greater than 400 MW in this solicitation as compared to the anticipated costs and benefits of procuring the installed capacity through a future solicitation; (3) RECs will be evaluated using an economic proxy value for their contribution to GWSA requirements, as

determined by the Evaluation Team; (4) additional impacts, if any, from the proposal on the Commonwealth's greenhouse gas ("GHG") emission rates and overall ability to meet GWSA requirements; (5) the economic impacts of any associated energy storage systems; and (6) indirect impacts, if any, for retail ratepayers on the capacity or ancillary services market prices with the proposed project in service (RFP § 2.3.1.2).

The qualitative evaluation will consist of factors Section 83C requires as well as factors the Evaluation Team considers, including: (1) siting, permitting, and project schedule; (2) reliability benefits; (3) benefits, costs, and contract risk; (4) environmental impacts from siting; and (5) economic benefits to the Commonwealth (RFP § 2.3.2).

3. Stage Three

In Stage Three, the Evaluation Team will consider remaining proposals based on Stage Two evaluation criteria and, at its discretion, the following factors: (1) the portfolio effect; (2) the overall impact of various portfolios of proposals on the Commonwealth's policy goals, as directed by DOER, including GWSA goals; (3) risks associated with project viability of the proposals; (4) risks to customers associated with projects proposing to recover offshore delivery facilities costs through transmission rates not fully captured in the Stage Two evaluation; (5) a comparison to a reasonable range of data and analyses on expected offshore wind prices, industry costs, and the anticipated cost impact of future technology; (6) ratepayer bill impacts; (7) benefits to customers not fully captured in the Stage Two evaluation; and (8) other considerations, as appropriate, to ensure selection of proposals providing the greatest impact and value consistent with the objectives of Section 83C (RFP § 2.4). The Petitioners

state that the objective of Stage Three is to select the proposal(s) that provide the greatest impact and value consistent with the stated objectives and requirements of Section 83C, as set forth in the RFP (RFP § 2.4). The Petitioners state that the Evaluation Team prefers viable, cost-effective projects with limited risk, but recognizes that the extent to which the stated RFP objectives will be satisfied will depend, in large part, on the particulars of the proposals submitted (RFP § 2.4).

C. Proposed Timetable

Table 1 below sets forth the proposed timetable for the bidding process (RFP § 3.1).

Table 1: Proposed Solicitation Timetable

Event	Anticipated Date ¹⁰	Elapsed Time
Issue RFP	June 30, 2017	Day 0
Bidders Conference	July 19, 2017	Day 19
Submit Notice of Intent to Bid	July 26, 2017	Day 26
Deadline for Submission of Questions	July 26, 2017	Day 26
Due Date for Proposal Submissions	December 20, 2017	Day 173
Selection of Projects for Negotiation	May 22, 2018	Day 326
Negotiate and Execute Contracts	October 3, 2018	Day 460
Submit Contracts for Department Approval	November 1, 2018	Day 489

Once the Department approves the method and timetable for solicitation and execution of the long-term contracts, the Petitioners will promptly issue the RFP to a wide range of

¹⁰ Anticipated Date refers to the anticipated number of days from the date of issuance of the RFP.

potentially interested parties (Petitioners Cover Letter at 5). The Petitioners state that, pursuant to Section 83C, they have consulted with: (1) DOER and the Attorney General regarding the choice of contracting methods and solicitation methods; and (2) DOER regarding the proposed timetable (Petitioners Cover Letter at 5). The Petitioners further state that the April 28, 2017 filing submitted to the Department represents a timetable and method for the solicitation and execution of long-term contracts for Offshore Wind Energy Generation agreed upon by the electric distribution companies and DOER (Petitioners Cover Letter at 5).

III. INDEPENDENT EVALUATOR REPORT

A. Introduction

Section 83C requires that DOER and the Attorney General jointly select, and DOER contract with, an IE to submit: (1) a report to the Department analyzing the timetable and method for solicitation and the solicitation process implemented by the electric distribution companies and DOER, including recommendations, if any, for improving the process;¹¹ and (2) a report to the Department summarizing and analyzing the solicitation and bid selection process, and providing an independent assessment of whether all bids were evaluated in a fair and non-discriminatory manner to be submitted when the Department opens an investigation to review a proposed contract. Section 83C(f). Pursuant to Section 83C, DOER and the Attorney General selected Peregrine to serve as the IE with respect to this solicitation (IE Report at 1).

¹¹ Consistent with this provision, Peregrine submitted the IE Report on May 5, 2017.

The IE Report analyzes the timetable and method of the first Section 83C Offshore Wind Energy Generation solicitation and the solicitation process (IE Report at 2). According to Peregrine, after substantial deliberation, DOER and the electric distribution companies decided to structure the proposed RFP to address key project size/transmission approach issues as follows: (1) the procurement target for the first solicitation is 400 MW, however, proposals of up to 800 MW will be considered if the Evaluation Team determines that a larger-scaled proposal is both superior to other proposals and is likely to produce significantly more economic net benefits to ratepayers compared to the alternative of procuring the additional capacity in a future solicitation after taking relevant risks into consideration; and (2) Offshore Wind Energy Generation bidders would be required to submit proposals of 400 MW and may submit proposals from 200 MW to 800 MW (IE Report at 3). Further, for each proposal, bidders would be required to submit two proposal variants: (i) a PPA including a project-specific generation lead line proposal; and (ii) a PPA with an expandable transmission proposal that would be designed to be pre-built and/or expandable to transmit energy from the proposed project and the entire 1,600 MW of expected Offshore Wind Energy Generation projects to be solicited under Section 83C (which could be bid with others, including a transmission developer) (IE Report at 3). The evaluation framework would take into consideration the potential benefits, costs, and risks associated with the different types and sizes of proposals (IE Report at 3).

The IE concludes that the RFP satisfies Section 83C's standards for an open, fair, and transparent solicitation that is not unduly influenced by affiliates (IE Report at 3-4). The IE

Report suggests that the Evaluation Team could provide additional guidance to prospective bidders through providing pro forma agreements and providing answers to bidder questions before bids are due (IE Report at 4).

B. IE Conclusions and Recommendations

Peregrine concludes that the proposed RFP design is fair and does not unduly favor affiliates of the electric distribution companies and that the implementation of the bid evaluation and selection process should be open and transparent consistent with the design of the RFP (IE Report at 23). The IE was involved in the RFP development process from the beginning and had the opportunity to comment and provide suggestions multiple times throughout the process (IE Report at 3). The major issues identified with the first 83C Offshore Wind Energy Generation solicitation were resolved after several months of discussion among the Evaluation Team, the Attorney General, which plays a consultative role, and the IE, and the resulting RFP is the product of that process and collaboration (IE Report at 2-3, 21-23).

IV. INITIAL MATTERS

A. Scope of the Department's Review

Section 83C(b) limits the scope of this proceeding to a review of the timetable and method for solicitation and execution of long-term contracts for Offshore Wind Energy Generation. St. 2016, c. 188, § 12; 220 C.M.R. § 23.00 et seq. In RFP review proceedings such as this, we wish to avoid predetermining or limiting the consideration of proposed contracts or evaluation models. Long-Term Contracts for Renewable Energy Generation,

D.P.U. 17-32, at 18-19 (2017); Long-Term Contracts for Renewable Energy, D.P.U. 15-84, at 22 (2015); Fitchburg Gas and Electric Light Company et al., D.P.U. 09-77, at 22 (2009), citing Long-Term Contracts for Renewable Energy, D.P.U. 08-88-A at 10 (2009). We have found that to do so could constrain the flexibility of buyers and sellers in contract negotiations to seek the best sharing of risks and benefits under the contracts. D.P.U. 17-32, at 18-19; D.P.U. 15-84, at 21; D.P.U. 09-77, at 21, citing D.P.U. 08-88-A at 10. Further, the Department has found that parties have the opportunity to raise all relevant substantive issues with respect to the evaluation of proposed projects, to all phases of contract development and negotiation, and to the specific terms and conditions contained in the resulting PPA(s) in the context of the adjudication before the Department of individual long-term contracts for renewable energy. D.P.U. 17-32, at 18-19; D.P.U. 15-84, at 21; D.P.U. 09-77, at 22; D.P.U. 08-88-A at 10.

We have found that the appropriate time to address these substantive issues is when each electric distribution company submits a proposed contract for Department approval. D.P.U. 17-32, at 18-19; D.P.U. 15-84, at 21; D.P.U. 09-77, at 22; D.P.U. 08-88-A at 10-11. Determinations regarding whether the specific contents of the contracts that result from this solicitation are consistent with the public interest and result in just and reasonable rates must be made in the context of individual adjudications, where the Department will weigh evidence and arguments in order to make fact-based decisions on a case-by-case basis. D.P.U. 17-32, at 18-19; D.P.U. 15-84, at 21; D.P.U. 08-88-A at 10-11.

B. Participation of Other States in the Solicitation

1. Introduction

Section 83C provides, in part, that: “a solicitation may be coordinated and issued jointly with other New England states or entities designated by those states.” Section 83C(b). Section 83C is otherwise silent with regard to the participation of other New England states (“other states”) in any subsequent phase of the contracting process. See Section 83C. Section 1.1 of the RFP states the following:

The Commonwealth of Massachusetts in consultation with the Distribution Companies will consider the participation of other states as a means to achieve the Commonwealth’s Offshore Wind Energy Generation goals if such participation has positive or neutral impact on Massachusetts ratepayers. If the Commonwealth determines that such participation provides a reasonable means to achieve its Offshore Wind Energy Generation goals cost effectively through multi-state coordination and contract execution, selected projects may be allocated on a load ration share basis to one or more electric distribution companies in such state, subject to applicable legal requirements in the Commonwealth and the respective state (RFP § 1.1, n.8).

2. Summary of Comments

Bay State Wind requests clarification on if, and when, the participation of other states may occur, as it could allow bidders to submit proposals that may offer even greater economic benefits to ratepayers (Bay State Wind Comments at 12). CLF encourages the participation of other states to the extent it provides efficiencies and benefits to ratepayers (CLF comments at 14). CLF, however, argues that multi-state participation would not affect the electric distribution companies’ legal obligation to enter into long-term contracts totaling approximately 1,600 MW of capacity for Massachusetts by 2027, or the requirement to solicit individual

proposals that would provide at least 400 MW of capacity to Massachusetts ratepayers (CLF Comments at 14-15).

3. Analysis and Findings

Although envisioned as a possible component to achieve the goals of Section 83C, the RFP was not developed in coordination with other states (RFP at 1-2). Further, it does not appear that other states will participate in the issuance of the solicitation. However, the electric distribution companies contend that other states have expressed interest in evaluating and considering projects proposed in response to the RFP (see RFP § 1.1, n.8). We note that Section 83C(b) allows for a solicitation to be coordinated and issued jointly with other New England states or entities designated by those states, but is silent on the commencement of other states' participation after the initial solicitation. Thus, if the Petitioners allow other states' involvement after issuance of the RFP, the Petitioners must demonstrate that any resulting contracts fully comply with Section 83C and the Department's regulations. Consistent with the Petitioners' representations, we also expect the Petitioners to demonstrate that the involvement of other states resulted in a neutral or beneficial impact, specifically for Massachusetts ratepayers.

We decline to direct the Petitioners to remove from the RFP the possibility of other states' participation. It is our expectation that any method an electric distribution company uses to solicit and enter into long-term contracts with developers of Offshore Wind Energy Generation will be consistent with the intent and language of Section 83C, and we will consider this compliance at the time we review any executed contracts proposed to the

Department for approval. D.P.U. 17-32, at 21, D.P.U. 15-84, at 23; D.P.U. 09-77, at 24.

The Department emphasizes that we, and not the electric distribution companies, are the final arbiters of whether such proposals are reasonable and whether the resulting long-term contracts achieve the objectives of Section 83C. D.P.U. 17-32, at 21; D.P.U. 15-84, at 23.

V. ISSUES RAISED BY COMMENTERS

A. Timing of Solicitation

1. Introduction

The proposed schedule in the RFP provides for issuance of the RFP by June 30, 2017. Proposal submissions are due by December 20, 2017, or 173 days from issuance of the RFP. Projects will be selected for negotiation by May 22, 2018, or 326 days from RFP issuance, and contracts will be negotiated and executed by October 3, 2018, or 460 days from issuance of the RFP with ultimate submission to the Department for review and approval 489 days after RFP issuance (RFP § 3.1). Many commenters propose that the RFP timeline for bid evaluation, selection, and contract negotiation be accelerated to maximize ratepayer and environmental benefits (see AIM Comments at 3-4; Attorney General Comments at 8; Bay State Wind Comments at 5-6; Bay State Wind Reply Comments at 11; CLF Comments at 3; Environmental Nonprofits Comments at 9; Legislators Comments at 1-2; RENEW Comments at 10; TransCanada Comments at 3; Vineyard Wind Comments at 3-4).

2. Summary of Comments

Commenters recommend that the Department require the electric distribution companies to shorten the bid evaluation, selection, and contract negotiation portions of the RFP schedule to allow projects to take advantage of ratepayer and environmental benefits (AIM Comments

at 3-4; Attorney General Comments at 8; Bay State Wind Comments at 5; Bay State Wind Reply Comments at 11; CLF Comments at 3; Environmental Nonprofits Comments at 9; Legislators Comments at 1-2; RENEW Comments at 10; TransCanada Comments at 3; Vineyard Wind Comments at 3-4). Certain commenters argue that shortening the period for project evaluation so that the Evaluation Team selects projects for negotiation before the second quarter of 2018 could allow projects to take advantage of a more generous federal Investment Tax Credit (“ITC”) and result in lower ratepayer costs (AIM Comments at 3-4; Attorney General Comments at 8; CLF Comments at 4; Environmental Nonprofits Comments at 8; Legislators Comments at 2; RENEW Comments at 11; Vineyard Wind Comments at 4). Several commenters assert that the timeline proposed in the RFP for the selection of projects would result in surveying and construction delays by at least one season, which would add additional costs to the proposals and delay the realization of benefits (Attorney General Comments at 8; CLF Comments at 3; Legislators Comments at 2; RENEW Comments at 11; Vineyard Wind Comments at 4). A few commenters maintain that a shortened timetable would reduce the risk to developers of holding open a fixed bid price, thereby allowing for lower priced bids (CLF Comments at 4; TransCanada Comments at 3; RENEW Comments at 10; Vineyard Wind Comments at 5).

Several commenters note that the Department has approved similar solicitation processes with shorter timeframes, and argue that this solicitation does not require an additional 100 or 150 days relative to other, more complex solicitations the Department has approved such as those approved in D.P.U. 17-32 (CLF Comments at 5; RENEW Comments

at 10-11; Vineyard Wind Comments at 6-7). These commenters assert that whereas the Section 83D solicitation is likely to attract a significant number of bidders and will require evaluators to compare proposals across different technologies and project types, the Section 83C solicitation will attract a limited number of eligible bidders proposing similar-in-kind offshore wind projects and therefore a shorter RFP timeline is appropriate (Bay State Wind Comments at 6; CLF Comments at 4-5; RENEW Comments at 10-11; Vineyard Wind Comments at 6-7). Bay State Wind argues that the proposed schedule limits the opportunity for parties to benefit from lessons learned from the first solicitation, given that the second Offshore Wind Energy Generation solicitation will either overlap with or immediately follow Department review and approval of contracts resulting from the first solicitation (Bay State Wind Comments at 5-6).

Several commenters maintain that the bid evaluation period should be completed in the first quarter of 2018 (Attorney General Comments at 8; Legislators Comments at 1; Vineyard Wind Comments at 5). Bay State Wind and RENEW maintain that the contract negotiation period should be shortened by at least 60 days (Bay State Wind Comments at 5; RENEW Comments at 10-11). CLF and the Environmental Nonprofits more generally argue that the timeline should be revised to ensure that contract negotiation is completed as early as possible in 2018 (CLF Comments at 3-5; Environmental Nonprofits Comments at 8)

The electric distribution companies maintain that the Department should not shorten the timeline included in the RFP, as it is reasonable and achievable (Petitioners Reply Comments at 3). The electric distribution companies assert that the proposed timeline balances the desire

to realize the benefits of offshore wind projects in a timely manner with the need to carefully evaluate proposals to ensure that selected projects have a strong likelihood of being financed and constructed (Petitioners Reply Comments at 3). The electric distribution companies maintain that they carefully considered the overall timeline for the bidding process, in particular the time allotted for contract negotiations, and that the actual timing will be influenced by the preparedness and commercial positions of each selected bidder (Exh. DPU 1-15).

3. Analysis and Findings

As discussed in Section IV.A., the scope of this proceeding is statutorily limited to a review of the timetable and method for solicitation and execution of long-term contracts for Offshore Wind Energy Generation. Section 83C(b). Thus, as an initial matter, the Department concludes that Section 83C requires the Department to review and address comments and concerns regarding the proposed RFP timeline.

The Department begins its consideration of this matter by comparing the proposed timeline in this RFP with the timeline that the Department approved for the Section 83D solicitation for Clean Energy Generation in D.P.U. 17-32. As shown in Table 2 below, the approved Section 83D solicitation timeline is approximately 100 days shorter than the Section 83C solicitation timeline proposed by the Petitioners. See D.P.U. 17-32, at 14. In the Section 83D solicitation timeline, proposals are due 120 days from issuance of the RFP, projects will be selected for negotiation 300 days from RFP issuance, and the negotiation and execution of contracts will occur 360 days from RFP issuance.

Table 2: Timetable Comparison

Event	Section 83D Solicitation		Section 83C Solicitation	
	Anticipated Date	Elapsed Time	Anticipated Date	Elapsed Time
Issue RFP	March 31, 2017	Day 0	June 30, 2017	Day 0
Bidders Conference	April 14, 2017	Day 14	July 19, 2017	Day 19
Submit Notice of Intent to Bid	April 21, 2017	Day 21	July 26, 2017	Day 26
Deadline for Submission of Questions	April 21, 2017	Day 21	July 26, 2017	Day 26
Due Date for Proposal Submissions	July 27, 2017	Day 120	December 20, 2017	Day 173
Selection of Projects for Negotiation	January 25, 2017	Day 300	May 22, 2018	Day 326
Negotiate and Execute Contracts	March 27, 2018	Day 360	October 3, 2018	Day 460
Submit Contracts for Department Approval	April 25, 2018	Day 390	November 1, 2018	Day 489

The timeline for a solicitation can affect project development costs as well as project viability, which in turn impacts the timing and amount of benefits ratepayers will realize. Commenters identified several examples of how the proposed Section 83C solicitation timetable could materially affect ratepayers. First, commenters argue that the proposed project selection deadline does not allow developers sufficient time to secure eligibility for the 2018 federal Business Energy Investment Tax Credit (“ITC”) (AIM Comments at 3-4; Attorney General Comments at 8; CLF Comments at 4; Environmental Nonprofits Comments at 8; Legislators Comments at 2; RENEW Comments at 11; Vineyard Wind Comments at 4). The ITC is expected to be reduced every year until it is phased out in 2020.¹² Therefore, the year

¹² For more information on the ITC, see: <https://energy.gov/savings/business-energy-investment-tax-credit-itc>.

in which a project becomes eligible for the ITC can have a significant impact on project development costs. Second, commenters maintain that a shorter timeline would reduce the risk premia associated with fixed price bid locks thereby resulting in lower priced bids and ratepayer savings (CLF Comments at 4; TransCanada Comments at 3; RENEW Comments at 10; Vineyard Wind Comments at 5).

The Department previously has directed Petitioners to shorten a renewable energy solicitation schedule to enhance the opportunity for developers to secure ITC benefits and pass them on to consumers in the form of lower bids. D.P.U. 13-57, at 18-20. We see no reason to deviate from that past practice here, given the possible material benefits to ratepayers in doing so. Thus, the Department concludes that it is in the public interest to approve a timeline that provides sufficient time for the market to develop and offer reasonable proposals, while enhancing the potential for projects to become eligible for the higher 2018 ITC. Based on our review of the comments, we find that the Petitioners' proposed timeline allows for bidders to develop reasonable proposals. We are particularly cognizant of the need to provide sufficient time for all parties to investigate and structure expandable transmission proposals, which are an innovative feature of this RFP and could offer significant ratepayer and environmental benefits. Therefore, we conclude that the proposed timeline from issuance of the RFP to proposal submission on December 20, 2017, 173 days after RFP issuance, is reasonable and we decline to direct the Petitioners to amend that portion of the proposed timeline.

The Department concludes that, based on a review of the comments and the proposed RFP, the Petitioners' proposed timeline provides more time than is reasonably necessary for

bid evaluation and contract negotiation. As an initial matter, we find that this solicitation is likely to result in fewer and less varied bids than the Section 83D solicitation. As a result, it is reasonable to conclude that the time allotted for bid evaluation and contract negotiation in the Section 83C solicitation should not be significantly greater than the time allotted in the Section 83D solicitation. Furthermore, we anticipate that the Evaluation Team should be able to leverage the analysis and process developed in the Section 83D bid evaluation, which will occur largely before bidders submit proposals in this Section 83C solicitation. See D.P.U. 17-32 at 14. Some commenters propose shortening the evaluation process by approximately 60 days to ensure its completion in the first quarter of 2018. We find that such a significant reduction in the evaluation timeframe may impede the ability of the Evaluation Team to conduct the analysis necessary to ensure a reasonable level of confidence in the ability of any proposed project to be financed and constructed, and to provide reliable, cost-effective Offshore Wind Energy Generation. Therefore, we find reducing the proposed bid evaluation timeline by 29 days will strike the appropriate balance in allowing the Evaluation Team sufficient time to thoroughly evaluate proposals while providing more time for developers to secure eligibility for the higher 2018 ITC.

The Petitioners' proposed timeline for contract negotiation is more than twice as long as that approved in the Section 83D proceeding. See D.P.U. 17-32, at 14. As discussed above, we find that contract negotiation for this solicitation should not require significantly more time than that needed in the Section 83D solicitation. The Petitioners maintain that the contract negotiation timing will be influenced by the preparedness of the selected bidders, and note that

the proposed contract documents have been posted on the RFP website in an effort to streamline the negotiation process (Exh. DPU 1-15). Given that bidders will have 300 days, or the better part of a year, to review the contract documents and prepare for negotiations, we are not persuaded that the proposed timeframe for contract negotiation is reasonable. Therefore, we find it more appropriate to reduce the proposed contract evaluation period to 70 days, slightly more time than the 60 days allowed in the Section 83D timeline, given the possibility that contracts may be awarded for expandable transmission facilities, which are a novel construct within this RFP. In conclusion, we direct the Petitioners to amend the proposed timeline for the 83C procurement, as shown in Table 3 below, to reflect the shortened bid evaluation and contract negotiation periods.

Table 3: Revised Solicitation Timetable

Event	Proposed RFP Date	REVISED	Proposed RFP Day	REVISED
Issue RFP	June 30, 2017		Day 0	
Bidders Conference	July 19, 2017		Day 19	
Submit Notice of Intent to Bid	July 26, 2017		Day 26	
Deadline for Submission of Questions	July 26, 2017		Day 26	
Due Date for Proposal Submissions	December 20, 2017		Day 173	
Selection of Projects for Negotiation	May 22, 2018	April 23, 2018	Day 326	Day 297
Negotiate and Execute Contracts	October 3, 2018	July 2, 2018	Day 460	Day 367
Submit Contracts for Department Approval	November 1, 2018	July 31, 2018	Day 489	Day 396

B. Timing of Subsequent Solicitations

1. Introduction

The electric distribution companies will issue subsequent solicitations for Offshore Wind Energy Generation within 24 months of the solicitation under review in the instant proceeding (RFP § 1.1). Section 83C requires that a subsequent solicitation occur within 24 months of the previous solicitation, and that the long-term contracts resulting from any subsequent solicitations include a levelized price per megawatt hour, plus transmission costs, that are less than the previous solicitation. St. 2016, c. 188, § 12. Several commenters argue that the Department should require the electric distribution companies to provide more clarity on the timing of subsequent solicitations (see CLF Comments at 12; Environmental Nonprofits Comments at 4; RENEW Comments at 10; Vineyard Wind Comments at 16).

2. Summary of Comments

Several commenters argue that the Department should require the electric distribution companies to release a proposed procurement schedule for the remaining capacity necessary to satisfy Section 83C (CLF Comments at 12; Environmental Nonprofits Comments at 4; RENEW Comments at 10; Vineyard Wind Comments at 16). These commenters maintain that such a procurement schedule would reduce costs by enhancing competition and enabling developers to coordinate project design and development (CLF Comments at 12; RENEW Comments at 10; Vineyard Wind Comments at 16-17). Vineyard Wind suggests that the next solicitation should occur no later than one year after the first solicitation (Vineyard Wind Comments at 16). The Environmental Nonprofits argue that solicitations should occur every

twelve months until the 1,600 MW commitment is reached (Environmental Nonprofits Comments at 4). TransCanada recommends that the schedule for future solicitations accommodates the development schedules of the leaseholders for the additional leases the United States Bureau of Ocean Energy Management (“BOEM”) will auction (TransCanada Comments at 3). TransCanada suggests that the electric distribution companies should procure the remaining capacity in a single solicitation in order to accelerate the development of the offshore wind supply chain and to provide the lowest costs for ratepayers (TransCanada Comments at 3).

The electric distribution companies maintain that the RFP provides a general schedule that complies with Section 83C, and that further detail should not be required at this time (Petitioners Reply Comments at 4). Further, the electric distribution companies claim that they, along with DOER, intend to conduct at least one, possibly as many as three, subsequent solicitations (Exh. DPU 1-1). The electric distribution companies assert the Environmental Nonprofits’ suggestion of issuing a new solicitation every twelve months is not practical given the complexity of each solicitation (Petitioners Reply Comments at 4).

3. Analysis and Findings

In the event of a staggered procurement schedule, as the Petitioners have proposed, Section 83C requires that the schedule specify that a subsequent solicitation shall occur within 24 months of a previous solicitation. Section 83C(b). We find the RFP clear with regard to the staggered procurement schedule and subsequent solicitations and that it meets the requirements

of Section 83C(b) (see RFP § 1.1). Therefore, we decline to direct the Petitioners to provide further detail regarding the schedule for subsequent solicitations.

C. Size of Solicitation

1. Introduction

The electric distribution companies will procure approximately 400 MW of Offshore Wind Energy Generation in the proposed solicitation, but indicate that they also will consider procuring up to 800 MW of Offshore Wind Energy Generation if a larger proposal is likely to produce significantly more economic net benefits to ratepayers (RFP § 2.2.1.2). The RFP requires eligible bidders to submit at least one proposal of 400 MW, while also allowing bidders to submit alternative proposals ranging from 200 MW to 800 MW (RFP § 2.2.1.2). Commenters raise issues regarding the solicitation size, including arguments that the solicitation should be limited to 400 MW of nameplate capacity, and that proposals less than 400 MW are not permitted by statute (see Attorney General Comments at 6-7; AIM Comments at 2; CLF Comments at 11; Deepwater Wind Comments at 1; RENEW Comments at 9; Vineyard Wind Comments at 14-15)

2. Summary of Comments

Several commenters recommend that the Department limit this solicitation to 400 MW of nameplate capacity (Attorney General Comments at 6-7; Deepwater Wind Comments at 1; Vineyard Wind Comments at 14). These commenters maintain that procuring capacity in a staggered fashion will enable the creation of a robust local supply chain and a new industry in the Commonwealth, and therefore caution that procuring too much capacity in the first

solicitation will increase supply chain risks and limit the opportunity for economic growth within the Commonwealth (AIM Comments at 2; Attorney General Comments at 6; Deepwater Wind Comments at 1). Several commenters also assert that costs associated with offshore wind development are likely to decrease in the future, and therefore procuring the statutorily required minimum of 400 MW in this solicitation and the remaining capacity in subsequent solicitations will likely deliver the most benefits to ratepayers (Attorney General Comments at 6, citing St. 2016, c. 188, § 12; Deepwater Wind Comments at 1-2; Vineyard Wind Comments at 14). Finally, the Attorney General argues that experience in other regions indicates that 400 MW is the current industry standard, and a larger project would place significant risks on ratepayers (Attorney General Comments at 6).

Bay State Wind and AIM support the RFP allowing for a range of bids that include different sizes in order to elicit cost-effective bids (AIM Comments at 2; Bay State Wind Comments at 3-4; Bay State Wind Reply Comments at 2). Bay State Wind disagrees with the Attorney General's assessment of "industry standard," arguing that it is based on a backwards looking analysis of the industry (Bay State Wind Reply Comments at 3). Bay State Wind argues that a large early commitment will ensure that the local supply chain investments occur, while a more incremental approach could delay or shift these investments to other states (Bay State Wind Reply Comments at 6). The electric distribution companies maintain that allowing for a larger range of proposal sizes ensures that more options are available to choose from and the electric distribution companies can select the most cost-effective proposals (Petitioners Reply Comments at 6).

Several commenters argue that Section 83C does not permit individual proposals of less than 400 MW (CLF Comments at 11; RENEW Comments at 9; Vineyard Wind Comments at 15). Specifically, commenters assert that a plain reading of the language of Section 83C makes it clear that individual proposals must be for at least 400 MW (CLF Comments at 11; RENEW Comments at 9; Vineyard Wind Comments at 15, citing St. 2016, c. 188, § 12). CLF and RENEW request that the Department direct the electric distribution companies to amend the RFP to clarify that they will not accept proposals for less than 400 MW (CLF Comments at 11; RENEW Comments at 9). CLF further requests that the Department direct the electric distribution companies to amend the RFP to clarify that under no circumstances should proposals include an initial development phase of less than 400 MW, consistent with the requirements of Section 83C (CLF Comments at 11). Vineyard Wind asks that the Department require the electric distribution companies to clarify that they will only accept a proposal for less than 400 MW if they also select a proposal for at least 400 MW to ensure the results of the solicitation comply with the statute (Vineyard Wind Comments at 16).

The electric distribution companies argue that Section 83C can be reasonably interpreted to allow for multiple proposals of less than 400 MW in a solicitation, provided that the total capacity sought through an individual solicitation is no less than 400 MW (Petitioners Reply Comments at 5; Exh. DPU 1-3). The Petitioners assert that this interpretation is consistent both with a plain reading of the statute and the broader context of the legislation (Petitioners Reply Comments at 6). Specifically, the electric distribution companies note that Section 83C requires “individual solicitations shall seek proposals for no less than

400 megawatts of aggregate nameplate capacity of offshore wind energy generation resources” (Petitioners Reply Comments at 5, citing St. 2016, c. 188, § 12). The electric distribution companies maintain that the phrase “aggregate nameplate capacity” is used throughout the statute and should be given similar meaning each time it is used (Petitioners Reply Comments at 6). The electric distribution companies argue that when the statute directs the electric distribution companies to procure a total of 1,600 MW of aggregate nameplate capacity, it contemplates the possibility of more than one project and more than one solicitation (Petitioners Reply Comments at 6). Therefore, the electric distribution companies conclude that the requirement to procure 400 MW of aggregate nameplate capacity in individual solicitations also means aggregate total capacity, which could be from multiple projects (Petitioners Reply Comments at 6; Exh. DPU 1-3).

Finally, Bay State Wind requests that the Petitioners amend the RFP to clarify whether capacity is measured “offshore”, based on the total nameplate capacity of the project, or at the grid delivery point (Bay State Wind Comments at 11). Bay State Wind suggests that project size be measured at the grid delivery point to ensure accuracy, and that the installed “nameplate capacity” of a project be increased as necessary to account for the expected electrical losses that will occur on the transmission cables at the point of delivery (Bay State Wind Comments at 12). The electric distribution companies clarify that they interpret capacity as being measured offshore, by the aggregate nameplate capacity of the proposed turbines because Section 83C uses the term “aggregate nameplate capacity” and requires proposals to minimize line losses (Petitioners Reply Comments at 5, n.4).

3. Analysis and Findings

Several commenters argue that Section 83C does not permit individual proposals of less than 400 MW and that the Department should direct the electric distribution companies to amend the RFP to clarify that they will not accept proposals for less than 400 MW (see CLF Comments at 11; RENEW Comments at 9; Vineyard Wind Comments at 15).

Statutes and, by extrapolation, ordinances should be interpreted whenever possible so they are harmonious with one another and present a consistent body of law. Boston Hous. Auth. v. Labor Relations Comm'n., 398 Mass. 715, 718 (1986); Hadley v. Amherst, 372 Mass. 46, 51 (1977). Words should be given their ordinary meaning, and one word should not be emphasized over another. Bolster v. Commr of Corps. & Taxation, 319 Mass. 81, 84-85 (1946). Where the language of a statute is “clear and unambiguous,” it is given the “effect as the legislature’s expressed intent.” Kain v. Dep’t of Env’tl. Prot., 474 Mass. 278, 286, 49 N.E.3d 1124, 1132 (2016). If it is “sufficiently ambiguous to support multiple rational interpretations, the court looks to the cause of its enactment, the mischief or imperfection to be remedied and the main object to be accomplished, to the end that the purpose of its framers may be effectuated.” Kain v. Dep’t of Env’tl. Prot., 474 Mass. 278, 286, 49 N.E.3d 1124, 1132 (2016).

Section 83C requires “distribution companies to enter into long-term contracts for offshore wind energy generation equal to approximately 1,600 megawatts of aggregate nameplate capacity not later than June 30, 2027; and provided further, that individual solicitations shall seek proposals for no less than 400 megawatts of aggregate nameplate

capacity of offshore wind energy generation resources.” St. 2016, c. 188, § 12. The term “aggregate nameplate capacity” is used throughout Section 83C. As the language of the statute expressly contemplates the possibility of multiple contracts and multiple solicitations, it is clear that the requirement to procure “approximately 1,600 megawatts of aggregate nameplate capacity,” allows for multiple projects that in the aggregate total 1,600 MW. The Department finds it appropriate to apply the same meaning of “aggregate nameplate capacity” throughout the statute. Therefore, the Department also finds that the requirement for individual solicitations to “seek proposals for no less than 400 megawatts of aggregate nameplate capacity,” also allows for multiple projects, so long as the aggregate total capacity sought is no less than 400 MW. Further, the Department finds that soliciting for a wider range of proposals ensures that the electric distribution companies can select the most cost-effective options available. On this basis, the Department finds that the commenters misinterpret the intent of the language of the statute, and agrees with the Petitioners that Section 83C can reasonably be interpreted to allow for submission of multiple proposals of less than 400 MW in a solicitation, provided that the total capacity sought through the solicitation is no less than 400 MW (see Petitioners Reply Comments at 5). Therefore, the Department declines to direct the Petitioners to amend the RFP to limit the solicitation to 400 MW of aggregate nameplate capacity.

Bay State Wind requests that the RFP be amended to clarify whether capacity is measured offshore by nameplate capacity or at the grid delivery point, accounting for line losses (Bay State Wind Comments at 11-12). The Petitioners respond that because Section 83C

uses the term “aggregate nameplate capacity” and requires proposals to minimize line losses, they interpret the statute to measure capacity offshore, by the aggregate nameplate capacity of the proposed turbines (Petitioners Reply Comments at 5, n.4). The Department agrees with the Petitioners’ interpretation of the meaning of capacity in Section 83C and will not require any revisions to the RFP regarding its definition.

D. Eligible Bid Categories

1. Introduction

The RFP requires bidders submitting proposals to sell Offshore Wind Energy Generation and/or RECs to submit both an expandable transmission proposal and a project-specific generator lead line proposal (RFP § 2.2.1.3). Expandable transmission proposals must be able to accommodate interconnection of the 1,600 MW of aggregate nameplate capacity contemplated by Section 83C and be available to all potential future bidders on a non-discriminatory basis (RFP § 2.2.1.3.2). Various commenters raise issues with regard to the eligible bid categories, including: (1) recommendations and requests for clarification on the expandable transmission proposal; and (2) requests to add a category for transmission-only bids (see AIM Comments at 2-3; Anbaric Comments at 4-13; Anbaric Reply Comments at 5-6; Attorney General Comments at 3-5; Bay State Wind Comments at 7-11; CLF Comments at 13-14, Environmental Nonprofits Comments at 7; RENEW Comments at 3-7; Vineyard Wine Comments at 12-14).

2. Expandable Transmission Proposal

a. Introduction

Commenters make several recommendations and requests for clarification related to the expandable transmission proposal requirement, including: (1) striking the requirement; (2) clarifying the requirements for expandable transmission proposals; and (3) clarifying how the Evaluation Team will evaluate expandable transmission proposals (see AIM Comments at 2-3; Attorney General Comments at 3-5; Bay State Wind Comments at 7-11; CLF Comments at 13-14, Environmental Nonprofits Comments at 7; RENEW Comments at 3-7; Vineyard Wine Comments at 12-14).

b. Summary of Comments

The Attorney General recommends that the Department require the electric distribution companies to remove the requirement for expandable transmission proposals, or in the alternative, remove the requirement that the shared facility must be sized or expandable to accommodate the interconnection of 1,600 MW (Attorney General Comments at 5). The Attorney General argues a number of issues regarding expandable transmission proposals should be considered before requiring bidders to submit an expandable transmission proposal (Attorney General Comments at 4-5). The Attorney General recognizes that a 1,600 MW shared facility may result in ratepayer benefits, but argues that at this time there is not sufficient evidence to support the development of a facility of this size (Attorney General Comments at 3, 5). AIM cautions that the expandable transmission proposal requirement may make it difficult to evaluate bids for cost-effectiveness, and introduces the risk that expandable

transmission proposals, if selected and developed under this solicitation, may not be compatible with offshore wind proposals in future solicitations (AIM Comments at 2-3). The electric distribution companies assert that the RFP does not require the Evaluation Team to select an expandable transmission proposal, but is designed to ensure full participation in both bid categories to allow for review of all available delivery methods and selection of the most beneficial proposal (Petitioners Reply Comments at 7-8). The electric distribution companies maintain that the Evaluation Team will consider the Attorney General's concerns during the evaluation process and argue that the Department should not require the Petitioners to strike or otherwise amend the requirement for expandable transmission proposals in the RFP (Petitioners Reply Comments at 7-8).

Several commenters recommend the final RFP clarify the parameters of the expandable transmission proposal requirement in order to elicit the most responsive and feasible bids (Bay State Wind Comments at 7; RENEW Comments at 3-4; Vineyard Wind Comments at 12). RENEW and Vineyard Wind assert that, per ISO-NE requirements, a transmission facility sized to accommodate 1,600 MW of offshore wind generation will require a minimum of two transmission lines; therefore, they recommend that the final RFP explicitly allow for the transmission requirement to be achieved through a combination of transmission facilities (RENEW Comments at 4; Vineyard Wind Comments at 12-13). Vineyard Wind requests that the Petitioners amend the RFP to clarify that the 1,600 MW of expandable transmission may be built in phases based upon receipt of sufficient requests for transmission capacity to avoid building an asset that will not be used (Vineyard Wind Comments at 13).

Commenters assert that the expandable transmission proposal requirement raises numerous technical, commercial, regulatory, and legal issues that require further clarification, particularly issues surrounding the United States BOEM leases for lands in the Outer Continental Shelf (Bay State Wind Comments at 7-11; Bay State Wind Reply Comments at 10; RENEW Comments at 6-7). Commenters assert that such issues include: (1) coordination with future winning bidders; (2) treatment of costs for network upgrades required beyond the point of interconnection; (3) capacity requirements for expandable transmission facilities; and (4) accuracy of cost estimates (RENEW Comments at 4-5, 8-9). Bay State Wind recommends that the Petitioners amend the RFP to require bidders to discuss applicable regulatory and commercial issues that are associated with the development of expandable transmission systems, and to document how they will address each of these issues in order to allow for a full and fair comparison of the benefits, costs and risks between proposals (Bay State Wind Comments at 8). The electric distribution companies maintain that questions related to the technical, commercial, and legal aspects of expandable transmission proposals are beyond the scope of this proceeding and are best addressed at the bidder conference and in the course of the bidder question and answer processes that will take place after they issue a final RFP (Petitioners Reply Comments at 9). The Petitioners assert that they expect bidders to address all technical and legal requirements associated with the expandable transmission proposal in their bids, as required by the RFP (Petitioners Reply Comments at 9, citing RFP § 2.2.1.3.2).

Vineyard Wind and RENEW recommend that the Evaluation Team consider and score generator lead line and expandable transmission proposals separately in order to ensure that the

evaluation process is transparent and that the expandable transmission requirement does not skew the assessment of the generator lead line proposals, which are more readily comparable to one another (RENEW Comments at 3; Vineyard Wine Comments at 12). CLF and the Environmental Nonprofits recognize that expandable offshore delivery facilities may provide environmental benefits as well as cost savings to ratepayers, but urge that the planning of a shared transmission system not delay the development of Offshore Wind Energy Generation (CLF Comments at 13-14, Environmental Nonprofits Comments at 7). CLF recommends that the Petitioners amend the RFP to clarify that the Evaluation Team will evaluate all proposals for offshore delivery facilities with a preference for projects that include timely implementation as a high priority (CLF Comments at 13-14). The Petitioners maintain that generator lead line proposals and expandable transmission proposals are separate, and the Evaluation Team will evaluate them as such (Petitioners Reply Comments at 9).

c. Analysis and Findings

The Attorney General recommends that the Department direct the Petitioners to strike the expandable transmission proposal requirement, arguing that numerous issues related to expandable transmission proposals require further consideration and stakeholder input (Attorney General Comments at 3-4). The Petitioners maintain that the expandable transmission proposal requirement in the RFP allows for the Evaluation Team to review all available delivery methods and to select the most beneficial proposal, but does not require the selection of an expandable transmission proposal (Petitioners Reply Comments at 7-8). In reviewing the method for solicitation, the Department seeks to avoid limiting the consideration

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of proposed contracts or evaluation models. D.P.U. 17-32, at 18 (2017); D.P.U. 15-84, at 22 (2015); D.P.U. 09-77, at 22 (2009). In fact, inclusion of a wide and varied method of solicitation options is more likely to yield a robust range of proposals for the consideration of the Evaluation Team, and potentially result in greater benefits to ratepayers. Therefore, the Department declines to direct the Petitioners to remove the expandable transmission proposal requirement from the RFP.

We find that the expandable transmission proposal requirement is reasonable given the electric distribution companies' intent to enter into cost-effective contracts for 1,600 MW of Offshore Wind Energy Generation through a staggered procurement schedule. Consistent with the Petitioners' representations, we expect the electric distribution companies to consider the concerns the Attorney General has raised during the evaluation process (see Petitioners Reply Comments at 7-8). When the electric distribution companies submit the executed contracts resulting from this procurement to the Department for review and approval, the electric distribution companies will bear the burden of demonstrating that the contracts are in the public interest and result in just and reasonable rates. D.P.U. 17-32, at 19, D.P.U. 15-84, at 21. At that time, any party to a proceeding will have the opportunity to raise relevant substantive issues with respect to the evaluation of proposed projects in the context of adjudication before the Department. D.P.U. 17-32, at 19; D.P.U. 15-84, at 34; D.P.U. 09-77, at 23-24.

Several other commenters request that the Petitioners amend the RFP to provide further clarification on the parameters and various technical, commercial, and legal requirements for expandable transmission proposals (see, e.g., Bay State Wind Comments at 7; RENEW

Comments at 3; Vineyard Wind Comments at 12). We find that questions related to these matters exceed the statutory authority granted to the Department by Section 83C to review and approve the timetable and method for solicitation and execution of long-term contracts. See Section 83C. We agree with the Petitioners that these questions are best addressed at the bidder conference and in the question and answer process that will take place after the electric distribution companies issue a final RFP (see Petitioners Reply Comments at 9). Therefore, we decline to direct the Petitioners to amend the expandable transmission proposal requirement.

Vineyard Wind and RENEW recommend that the Evaluation Team evaluate and score generator lead line and expandable transmission proposals separately (RENEW Comments at 3; Vineyard Wine Comments at 12). The Petitioners argue that generator lead line proposals and expandable transmission proposals are separate, and therefore intend for the Evaluation Team to assess them as such (Petitioners Reply Comments at 9). Therefore, on the basis of this representation the Department will not require any revisions to the RFP with regard to the separate evaluation and scoring of generator lead line and expandable transmission proposals.

3. Transmission-Only Bids

a. Introduction

Certain commenters argue that the categories of eligible bids described in the RFP should be broadened to allow for transmission-only bids (see Anbaric Comments at 4-13; Anbaric Reply Comments at 5-6; Attorney General Comments at 5).

b. Summary of Comments

Anbaric argues that the expandable transmission proposal effectively requires the bidder to submit a transmission project and assume the tariff obligations of a transmission provider (Anbaric Comments at 4). Anbaric asserts that this function is more effectively served by a transmission developer, and that allowing transmission-only bids is the best way to ensure the development of a proposal for nondiscriminatory access to offshore delivery facilities that are part of an expandable transmission network (Anbaric Comments at 4-5). Anbaric recommends that the Department require the electric distribution companies to unbundle the transmission and generation solicitations into a two-part solicitation, the first part for transmission projects to establish transmission costs and the second for Offshore Wind Energy Generation (Anbaric Comments at 9, 12-13; Anbaric Reply Comments at 5-6). Anbaric argues that the IE should review Anbaric's proposal to unbundle the solicitation and recommends adoption of this approach to enhance the fairness and transparency of the Section 83C solicitation (Anbaric Reply Comments at 6). The Attorney General asserts that allowing transmission-only bids would minimize many of the concerns associated with the expandable transmission proposal requirement (Attorney General Comments at 5).

Bay State Wind argues that allowing transmission-only bids would substantially and needlessly increase the level of complexity and risk that is already associated with this solicitation (Bay State Wind Reply Comments at 10). Bay State Wind asserts that Section 83C does not contemplate merchant transmission as other commenters proposed and requests that

the Department reject such a request to expand the scope of the proposed RFP's requirements (Bay State Wind Reply Comments at 10-11).

c. Analysis and Findings

Certain commenters suggest that the Petitioners amend the RFP to include transmission-only bids (Anbaric Comments at 4-13; Anbaric Reply Comments at 5-6; Attorney General Comments at 5). After reviewing the eligible bid categories, we find the Petitioners have properly applied the requirements of Section 83C in developing the RFP's eligible bid categories. Section 83C requires that, in developing long-term contracts for Offshore Wind Energy Generation, the electric distribution companies consider long-term contracts for RECs for energy and for a combination of both renewable energy certificates and energy, if applicable. Section 83C(c). Section 83C does not require the electric distribution companies to include a transmission-only bid category in the RFP. See Section 83C. Thus, the Department finds that the electric distribution companies and DOER developed the RFP's eligible bid categories consistent with the requirements of Section 83C and declines to require the Petitioners to incorporate transmission-only bids as an eligible category in this RFP.

E. Commercial Operation Date

1. Introduction

A few commenters are concerned that the proposed commercial operation deadline of January 1, 2027 would unreasonably delay the Commonwealth in receiving the benefits from Offshore Wind Energy Generation (CLF Comments at 6-7; Environmental Nonprofits Comments at 8; Vineyard Wind Comments at 9). The electric distribution companies explain

that the proposed RFP considers the risks and advantages of both accelerated and delayed commercial operation dates (Petitioners Reply Comments at 4). The electric distribution companies also argue that the proposed RFP encourages the earliest possible commercial operation date, and gives flexibility to phased proposals (Petitioners Reply Comments at 3-4).

2. Summary of Comments

CLF argues that a commercial operation deadline beyond January 1, 2024 would be unreasonably delayed, and the proposed deadline of January 1, 2027 would not allow the lessons learned from earlier projects to inform subsequent solicitations (CLF Comments at 6). A few commenters are also concerned that a 2027 commercial operation deadline could result in delays in project development, and thereby delay benefits to ratepayers and the Commonwealth's economy (CLF Comments at 6-7; Environmental Nonprofits Comments at 8; Vineyard Wind Comments at 9). Vineyard Wind maintains that the proposed commercial operation deadline threatens to undermine the purposes of Section 83C, including energy diversity and achievement of the Commonwealth's GWSA goals (Vineyard Wind Comments at 8). In addition, some commenters claim that the proposed commercial operation deadline unnecessarily exceeds standard industry practice (CLF Comments at 6; Vineyard Wind Comments at 9).

CLF suggests the Petitioners amend the RFP to provide for a commercial operation date between January 1, 2022 and January 1, 2023 (CLF Comments at 5-6). The Environmental Nonprofits suggest a deadline no later than 2022, while others suggest a deadline no later than 2023 (Environmental Nonprofits Comments at 8; Legislators Comments

at 1; Vineyard Wind Comments at 8). Bay State Wind argues that there should not be any arbitrary cut-off date for commercial operation, nor should the evaluation process give an automatic advantage to any proposal based solely on commercial operation date (Bay State Wind Reply Comments at 9). Bay State Wind maintains that the proposed RFP appropriately includes the commercial operation date as part of the overall evaluation of a proposal's risks and benefits (Bay State Wind Reply Comments at 10).

The electric distribution companies assert that the proposed RFP encourages the earliest possible commercial operation date (Petitioners Reply Comments at 3). In addition, the Petitioners assert that the Evaluation Team's quantitative evaluation, qualitative evaluation, and final stage of evaluation would all examine the risks and advantages of both accelerated and delayed commercial operation dates (Petitioners Reply Comments at 4). The electric distribution companies also argue that setting the latest possible commercial operation deadline would allow for phased proposals and flexibility to design staggered commercial operation dates while still being eligible for the current solicitation (Petitioners Reply Comments at 4).

3. Analysis and Findings

At the outset, we note that Section 83C is silent on commercial operation date and only requires that contracts be executed prior to June 30, 2027. See Section 83C. The proposed RFP appropriately includes multiple steps in the evaluation process to examine the risks and advantages of proposals that include different commercial operation dates (RFP §§ 2.2.2.7, 2.3.1.3, 2.3.2). In addition, the proposed commercial operation deadline of January 1, 2027 contained in the RFP allows proposals that include multiple phased projects totaling 800 MW

to be eligible for this solicitation (RFP § 2.2.1.2). The Department finds that the proposed RFP includes a fair process to evaluate proposals with different commercial operation dates. Further, the Department finds that the competitive marketplace, and the incentives provided through existing federal tax credits, will likely yield an earlier commercial operation deadline than the January 1, 2027 timeframe envisioned in Section 83C. Accordingly, the Department rejects the commenters' suggestion to change the proposed commercial operation deadline.

F. Evaluation Criteria

1. Introduction

Commenters raise issues concerning the criteria the Evaluation Team will employ to evaluate bids (see, e.g., CLF Comments at 7-10, 15-18; Environmental Nonprofits Comments at 5-7; The Nature Conservancy Comments at 3-7; see, e.g., CLF Comments at 15-18; Bay State Wind Comments at 3-4; Bay State Wind Reply Comments at 2; Vineyard Wind Comments at 14-15). Comments related to the evaluation criteria fall into two categories: (1) valuation of the impacts on environmental resources; and (2) other Stage Three evaluation criteria contained in the RFP.

2. Environmental Criteria

a. Introduction

The RFP states that the quantitative evaluation process will include an evaluation of the costs and benefits of Offshore Wind Energy Generation, RECs, and additional impacts on GHG emission rates, and overall ability to meet GWSA requirements (RFP § 2.3.1.2). The RFP states that the qualitative evaluation process will include an evaluation of factors that avoid, minimize, or mitigate, to the extent practicable, environmental impacts

(RFP § 2.3.2.iv). Commenters raise concerns with regard to the evaluation criteria contained in the RFP regarding environmental impacts and mitigation for proposed projects (see, e.g., CLF Comments at 7-10; Environmental Nonprofits Comments at 5-7; The Nature Conservancy Comments at 3-7).

b. Summary of Comments

CLF and the Environmental Nonprofits request that the Evaluation Team give preference to proposals with strong environmental impact mitigation (CLF Comments at 7; Environmental Nonprofits Comments at 5). Specifically, CLF and the Environmental Nonprofits argue that the RFP should require proposals to provide a thorough environmental characterization of the proposed project site and cable routes (CLF Comments at 8; Environmental Nonprofits Comments at 6). In addition, CLF and the Environmental Nonprofits recommend that proposals that provide strong protections for the North Atlantic right whale should be given added weight in the evaluation process (CLF Comments at 10; Environmental Nonprofits Comments at 6). CLF also maintains that the RFP should require bidders to provide a preliminary environmental assessment of the project area, including wind turbine areas and transmission corridors (CLF Comments at 8). As part of the environmental impacts assessment and project stakeholder engagement plan, CLF and the Environmental Nonprofits request that the RFP require proposals to identify all relevant stakeholders (e.g., commercial and recreational fisherman, recreational boaters, wildlife watchers, and research institutions) (CLF Comments at 8, citing RFP § 2.3.2; Environmental Nonprofits Comments at 5).

The Nature Conservancy argues that the RFP should give more weight to the environmental benefits, which should include avoiding and mitigating direct impacts, reducing GHG emissions, maintaining recreational and commercial access to ocean space, and providing co-location of new economic uses such as aquaculture (The Nature Conservancy Comments at 2). The Nature Conservancy requests that the Evaluation Team allocate 20 percent of the quantitative and qualitative scoring to environmental resource impacts (The Nature Conservancy Comments at 3-6). The Nature Conservancy also maintains that the Evaluation Team should appoint a qualified technical committee that will provide evaluation guidelines and review the environmental resource impacts of RFP responses (The Nature Conservancy Comments at 6-7).

The electric distribution companies maintain that the evaluation criteria will contain a multitude of environmental issues, but that the Evaluation Team has not yet determined the exact weighting and method of evaluation (Petitioners Reply Comments at 9). The electric distribution companies request that the Department maintain the broad environmental considerations that are currently included in the RFP given that the evaluation criteria are beyond the scope of this proceeding (Petitioners Reply Comments at 9).

c. Analysis and Findings

In reviewing the proposed timing and method of solicitation and execution of contracts pursuant to Section 83C, including bid evaluation methods, the Department seeks to balance the goal of ensuring nondiscriminatory treatment of all potential eligible resource options with providing the electric distribution companies discretion to implement a flexible bid evaluation

methodology to accommodate a broad range of bids to be solicited pursuant to this RFP.

D.P.U. 17-32, at 64; D.P.U. 15-84, at 33; Long-Term Contracts for Renewable Energy, D.P.U. 08-88, at 10 (2009); D.P.U. 09-77, at 20. Some commenters request that the Department give more weight to environmental criteria in the RFP (CLF Comments at 7-10; Environmental Nonprofits Comments at 5-7; The Nature Conservancy Comments at 3-7). The Nature Conservancy specifically recommends that the Department require the Petitioners to amend the RFP to indicate that the environmental impacts will account for 20 percent of the evaluation criteria (The Nature Conservancy Comments at 3-6).

While mindful of the comments received and our review of Section 83C and the proposed RFP, the Department finds that our review is limited to the “timetable and methods for solicitations.” Section 83C (b). Therefore, the Department declines to require revisions to the RFP bid evaluation criteria. At the time of our review of executed contracts resulting from this procurement, the electric distribution companies will bear the burden of demonstrating that they developed and implemented the solicitation method consistent with the intent of Section 83C, and that the solicitation process was fair, transparent, competitive, and non-discriminatory pursuant to Section 83C. See D.P.U. 17-32, at 65; D.P.U. 15-84, at 32; D.P.U. 09-77, at 22-23; D.P.U. 11-05; 11-06; 11-07, at 42, citing New England Gas Company, D.P.U. 10-114, at 221 (2011); NSTAR Electric Company, D.P.U. 07-64-A at 60-61 n.21 (2008); Boston Gas Company, Colonial Gas Company, and Essex Gas Company, D.T.E. 04-9, at 10 (2004). At that time, any party to a proceeding will have the opportunity to raise relevant substantive issues with respect to the evaluation of proposed

projects in the context of adjudication before the Department. D.P.U. 17-32, at 65; D.P.U. 15-84, at 34; D.P.U. 09-77, at 23-24. Should those substantive issues be raised in such a later forum, the Department will address those in the context of that future proceeding.

3. Other Evaluation Criteria in Stage Three

a. Introduction

Section 2.4 of the RFP describes the third stage of the bid evaluation process. In this stage, the Evaluation Team must select long-term contracts that are cost-effective mechanisms for procuring reliable renewable energy on a long-term basis for the benefit of ratepayers (RFP § 2.4). CLF maintains that there are vague evaluation criteria throughout the RFP and more specifically, takes issue with how the Evaluation Team will interpret certain evaluation criteria in the third stage of the evaluation (see, e.g., CLF Comments at 15-18). Section 2.4 of the RFP also states that the Evaluation Team will not select proposals for more than 400 MW unless it determines that a larger-scaled proposal is both superior to other proposals and is likely to produce significantly more economic net benefits to ratepayers compared to the alternative of procuring the additional MWs in a future solicitation after taking relevant risks into consideration (RFP § 2.4). Bay State Wind and Vineyard Wind address in their comments the higher standard of review for projects in excess of 400 MW (Bay State Wind Comments at 3-4; Bay State Wind Reply Comments at 2; Vineyard Wind Comments at 14-15).

b. Summary of Comments

CLF contends that the lack of specificity in the proposed evaluation criteria contravenes the electric distribution companies' goal of ensuring "the transparency, consistency, and

objectivity of the solicitation process” (CLF Comments at 15-17). CLF further argues that the Evaluation Team should apply the term “cost effective,” as used in Section 83C, in the context of offshore wind and not as it compares to other clean energy generation alternatives (CLF Comments at 17-18).

Bay State Wind asserts that the higher standard of review proposed for projects in excess of 400 MW is overly stringent and the Petitioners should remove it from the RFP (Bay State Wind Comments at 3-4; Bay State Wind Reply Comments at 2). Bay State Wind argues that the Evaluation Team should review bids of different sizes with different operating dates on a level playing field to secure the most benefit to ratepayers (Bay State Wind Reply Comments at 7-8). Vineyard Wind maintains that the higher standard the RFP sets for selection of alternative-sized projects (i.e., other than 400 MW) is appropriate (Vineyard Wind Comments at 14-15).

The electric distribution companies maintain that the Evaluation Team has not yet determined the weighting and method of evaluation for the evaluation criteria, including the environmental evaluation criteria (Petitioners Reply Comments at 9).

c. Analysis and Findings

CLF and Bay State Wind suggest alterations to the evaluation criteria (CLF Comments at 17-18; Bay State Wind Comments at 3-4; Bay State Wind Reply Comments at 2). As previously stated, we find that the above recommendations regarding clarifying the evaluation criteria implicate neither the timetable nor the method of solicitation for long-term contracts for offshore wind under this RFP and are outside of the scope of this proceeding. The Department

may address these issues during the contract review proceeding. Accordingly, the Department declines to accept these recommendations here.

G. Other Issues

1. Introduction

The MA Residents state that they support the swift, environmentally responsible, and large scale development of offshore wind power for the Commonwealth in order to reduce pollution, improve public health, protect wildlife, create jobs, stabilize electric rates, and demonstrate strong state action to confront climate change (MA Residents Comments at 1-32). AIM also supports the offshore wind contracts, and urges the Department to approve an RFP that is transparent, fosters competition, does not discriminate against or favor any eligible sources, and provides the Evaluation Team with sufficient flexibility to protect ratepayers should the initial bids not be reasonable (AIM Comments at 4). DOER contends that the clarifications mentioned in the electric distribution companies' reply comments are accurate and consistent with DOER's understanding and interpretation of the intent of the RFP (DOER Reply Comments at 2). Other commenters make recommendations for clarifications and refinements to the RFP, on various other topics, including: (1) bid pricing; (2) energy storage; and (3) the form PPA (Attorney General Comments at 7; CLF Comments at 19; RENEW comments at 5-6; UD Comments at 1, 3; Vineyard Wind Comments at 13-14).

2. Bid Pricing

a. Summary of Comments

RENEW and Vineyard Wind request that the Department direct the Petitioners to amend the RFP to clarify that the Evaluation Team will not favor any specific approach for

recovery of offshore delivery facility costs (RENEW Comments at 5-6; Vineyard Wind Comments at 13-14). RENEW and Vineyard Wind maintain that the provision in Section 2.2.1.4(ii)(b) of the proposed RFP requiring bidders to separately propose recovery of offshore delivery facilities costs under a FERC-filed tariff or rate schedule is internally inconsistent with both Section 2.2.1.3.1 of the RFP and Section 83C(d), which allows for, but does not require, recovery of transmission costs through FERC (RENEW Comments at 5 6; Vineyard Wind Comments at 13-14). The Petitioners assert that RENEW and Vineyard Wind's suggested revisions are unnecessary because Section 2.2.1.4(ii)(b) does not apply to project specific generator lead line proposals with an all in price schedule under Section 2.2.1.3.1 (Petitioners Reply Comments at 8-9).

The UD maintains that the bids should identify whether or not the quoted price is levelized (UD Comments at 1, 3). If the price is not levelized, the UD contends that there should be a standardized escalator rate because an arbitrary escalator does not comply with the Section 83C requirement to compare the levelized price in subsequent years (UD Comments at 1, 3).

CLF requests that the RFP clarify that any proposal including entitlement to RECs associated with the project should separately and distinctly identify the price for such entitlement (CLF Comments at 19). CLF contends that separately identified prices will better enable the Evaluation Team and the Department to evaluate the proposals (CLF Comments at 19).

The Attorney General advocates for the disclosure of the pricing of the winning proposal(s) upon the Department's approval of the long-term contracts (Attorney General Comments at 7). The Attorney General argues that Section 83C explicitly states that subsequent offshore wind energy solicitations should be less than the "levelized price per megawatt hour plus transmission costs that resulted from the previous procurement" (Attorney General Comments at 7). The Attorney General claims that absent public disclosure of the pricing of the winning proposal(s), the winning bidder(s) will maintain an unfair competitive advantage over other bidders in subsequent solicitations (Attorney General Comments at 7).

In response to the Attorney General's proposed change that the electric distribution companies should disclose the pricing of the winning proposals, the Petitioners argue instead, that the Department has previously found that a determination of whether it is appropriate to publicly disclose pricing terms should be a matter for consideration during a contract review proceeding (Petitioners Reply Comments at 10, citing Joint Petition of Fitchburg Gas and Electric Light Company et al, D.P.U. 17-32, at 90 (March 27, 2017)). The electric distribution companies request that the Department reach the same conclusion in this proceeding (Petitioners Reply Comments at 10).

b. Analysis and Findings

With regard to RENEW and Vineyard Wind's requests to modify the offshore delivery facility cost recovery approach requirements in Section 2.2.1.4(ii)(b) of the RFP, the Petitioners have clarified that this section does not apply to project specific generator lead line proposals with an all in price schedule under Section 2.2.1.3.1 (Petitioners Reply Comments at

8 9). Based on the Petitioners' representations, we decline to direct the Petitioners to revise Section 2.2.1.4(ii)(b) of the RFP.

With regard to two commenters' requests for levelized pricing and proposals to clearly identify the entitlement of RECs, the Department reiterates that, as set forth in Section IV.A, above, the scope of our review in this proceeding is to review the timetable and method for solicitation and execution of contracts that may result from the RFP. We have determined that these comments regarding pricing are outside the scope of this proceeding, and represent subject matter that the Department may consider in the context of a contract review proceeding resulting from this solicitation. D.P.U. 17-32, at 90. Accordingly, we decline to direct the electric distribution companies to make any revisions to the RFP with regard to pricing.

Regarding the Attorney General's request to disclose the pricing of the winning bid, the Department finds that this issue also is outside the scope of this proceeding. Therefore, the Department finds it appropriate to make a determination of whether it is appropriate to publicly disclose pricing terms during a contract review proceeding. D.P.U. 17-32, at 90.

3. Energy Storage

a. Summary of Comments

FLPR recommends that the Department avoid restricting the definition of paired energy storage to incremental new storage or specific technologies in order to capture the most cost-effective means of storage available (FLPR Comments at 2). FLPR maintains that the ratepayers of the Commonwealth will benefit from the leveraging of existing resources (FLPR Comments at 2). Lastly, FLPR argues that the Department should continue to include paired

energy storage in each stage of the evaluation process (FLPR Comments at 1-2). CLF maintains that the RFP should require bidders to include key information about energy storage benefits in order to have a robust evaluation and comparison of storage-pairing proposals (CLF Comments at 19). In particular, CLF argues that the RFP should require bidders to specify how they will offer additional products into the market, provide expected sale prices for any ancillary services, and detail the expected impact of any such product on energy deliveries (CLF Comments at 19).

b. Analysis and Findings

Section 83C requires only that proposals “allow offshore wind energy generation resources to be paired with energy storage systems.” Section 83C (d)(5)(vii). The Department declines to place restrictions on energy storage to allow for a broader range of proposals in response to the RFP. As described in Section IV.A, above, parties to any adjudication of individual long-term contracts for Offshore Wind Energy Generation that an electric distribution company submits to the Department for approval pursuant to Section 83C(e) will have the opportunity to raise relevant concerns including the evaluation of proposed projects, all phases of contract development and negotiation, and the specific terms and conditions contained in the resulting PPA(s). See D.P.U. 17-32, at 85; D.P.U. 15-84, at 21; D.P.U. 09-77, at 22. Accordingly, we find that the Department may consider matters pertaining to energy storage that are not explicitly required pursuant to Section 83C as part of the Department’s contract review proceeding.

4. Form Power Purchase Agreement

a. Summary of Comments

Bay State Wind requests that the electric distribution companies release the form PPA for public comment as soon as possible (Bay State Wind Comments at 12). Bay State Wind argues that knowing the contractual expectations well in advance will ensure that each bidder can submit a responsive and cost-effective proposal (Bay State Wind Comments at 2, 12-13). Bay State further claims that having access to the form PPA is critical, because the draft RFP discourages bidders from recommending material changes to the form PPA once the final RFP is issued (Bay State Wind Comments at 2).

In response to Bay State Wind's comments, the electric distribution companies maintain that they will post the form PPA to the Section 83C RFP website (Petitioners Reply Comments at 10). The electric distribution companies contend that making the form PPA publicly available should resolve issues raised by commenters related to delivery requirements, liquidated damages, and negative locational marginal pricing (Petitioners Reply Comments at 10).

b. Analysis and Findings

The Department is required to approve the timetable and method for the solicitation and execution of long-term renewable contracts for offshore wind as set forth in the RFP. Section 83C. While public review of form PPAs prior to bid submission would allow stakeholders an opportunity to comment on the form PPAs, the Department has not required

the opportunity for such public review in previous solicitations.¹³ See DPU 17-32, at 41-42, citing D.P.U. 15-84, at 53, citing Long-Term Contracts for Renewable Energy, D.P.U. 13-57.

We note that although bidders are discouraged from proposing material changes to the form PPAs, they are not prohibited from proposing any changes, material or otherwise, to the form PPAs should they determine that such changes are appropriate (RFP § 2.2.1.10). Because bidders have an opportunity to propose revisions to the form PPAs when they submit their bids, we decline to accept Bay State Wind's proposal that the Department require the Petitioners to provide the form PPAs for public review prior to the issuance of the RFP. However, we continue to encourage all Petitioners in future solicitations to make the form PPAs and other required bidder forms available for public review prior to issuance of an RFP, as appropriate.

VI. CONCLUSION

After review, and consistent with the Department's scope as identified herein, the Department finds that the method for the solicitation and execution of long-term contracts for Offshore Wind Energy Generation contained in the RFP is consistent with the requirements of Section 83C and 220 C.M.R. § 23.00 et seq. The Petitioners propose to solicit proposals and, provided that they receive reasonable proposals, to enter into cost-effective long-term contracts with a term of between 15 and 20 years for Offshore Wind Energy Generation for between 400 MW and 800 MW of aggregate nameplate capacity by June 30, 2027, consistent with

¹³ The Department notes that a draft form PPA for Eversource Energy and Unitil was posted to the Section 83C RFP website at <https://macleanenergy.com/83c/83c-documents/> during the comment period.

Section 83C and 220 C.M.R. § 23.04(5) (RFP §§ 1.1, 2.2.1.6). The Department finds that, in developing the provisions of long-term contracts, the electric distribution companies appropriately considered long-term contracts for RECs, for energy, or for a combination of RECs and energy as required by Section 83C and 220 C.M.R. § 23.04(1). The Department also finds that the RFP defines eligible products as (1) Offshore Wind Energy Generation with a project specific generator lead line proposal; and (2) Offshore Wind Energy Generation with an expandable transmission proposal under a FERC tariff (RFP § 2.2.1.3).

Section 83C and 220 C.M.R. § 23.05(1) require the Department to determine that an Offshore Wind Energy Generation resource: (1) provides enhanced electricity reliability within the Commonwealth; (2) contributes to reducing winter electricity price spikes; (3) will be cost-effective to Massachusetts ratepayers over the term of the contract taking into consideration potential economic and environmental benefits to the ratepayers; (4) avoids line loss and mitigates transmission costs to the extent possible and ensures that transmission cost overruns, if any, are not borne by ratepayers; (5) adequately demonstrates project viability in a commercially reasonable timeframe; (6) allows Offshore Wind Energy Generation resources to be paired with energy storage systems; (7) mitigates environmental impacts where possible; and (8) creates and fosters employment and economic development in Massachusetts, where feasible. The RFP includes these criteria in the first and second bid evaluation stages (RFP §§ 2.2, 2.3).

Section 83C and 220 C.M.R. § 23.05(5) require that proposals for long-term contracts include associated transmission costs and that, if proposals include transmission costs and if the

Department finds that recovery to be in the public interest, the Department may authorize or require the contracting parties to seek recovery of such transmission costs of the project through federal transmission rates, consistent with FERC policies and tariffs. The electric distribution companies have included this provision in the RFP's allowable forms of pricing (RFP § 2.2.1.4). Further, consistent with Section 83A and 220 C.M.R. § 23.05(4), the RFP provides that the electric distribution companies will allocate the products purchased under the contracts on a pro-rata basis based on total energy demand (RFP § 2.5). Finally, consistent with Section 83C and 220 C.M.R. § 23.06, DOER and the Attorney General jointly selected, and DOER contracted with, an IE to monitor and report on the solicitation (RFP § 1.5).

After review, and consistent with the Department's scope as identified herein, the Department directs the Petitioners to revise the proposed timetable for the solicitation and execution of long-term contracts for Offshore Wind Energy Generation contained in the RFP. The Department finds that the revisions to the RFP's proposed timetable discussed in this Order will allow project developers to structure reasonable proposals and will provide the electric distribution companies sufficient time to appropriately evaluate such proposals, complete contract negotiations, and submit any resulting cost-effective contracts to the Department while enhancing the potential for selected projects to qualify for higher 2018 federal tax credits to the benefit of electric distribution company ratepayers. Hence, we direct the Petitioners to amend the RFP to include the timetable provided in Section V.A of this Order.

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The Department finds that the proposed timetable, as revised in accordance with the Department's findings in this Order, and the method for solicitation and execution of long-term contracts for renewable energy included in the RFP are consistent with the requirements of Section 83C and 220 C.M.R. § 23.00 et seq. Accordingly, with the inclusion of the modifications directed in this Order, the Department approves the Petitioners' proposed timetable and method for solicitation and execution of long-term contracts for Offshore Wind Energy Generation.

VII. ORDER

Accordingly, after due notice, opportunity for comment, and consideration, it is

ORDERED: That the petition of Fitchburg Gas and Electric Light Company, d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy, for approval of a proposed timetable and method for solicitation and execution of long-term contracts for offshore wind energy generation is APPROVED, subject to the directives contained herein; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Light Company, d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy, shall comply with all other directives contained in this Order.

By Order of the Department,

/s/

Angela M. O'Connor, Chairman

/s/

Robert E. Hayden, Commissioner

/s/

Cecile M. Fraser, Commissioner

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An appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part. Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of the twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. G.L. c. 25, § 5.

UTILITY STANDARD OF CONDUCT
GOVERNING ACTIVITY RELATED TO THE SOLICITATIONS FOR
CLEAN ENERGY RESOURCES UNDER SECTIONS 83C AND 83D
OF THE MASSACHUSETTS GREEN COMMUNITIES ACT

January 30, 2017

INTRODUCTION

On August 8, 2016 Governor Baker signed “An Act to Promote Energy Diversity” (Chapter 188 of the Acts of 2016) which included amendments (“Sections 83C and 83D”) to the Massachusetts Green Communities Act. Pursuant to Sections 83C and 83D, the Massachusetts Electric Distribution Companies (“EDCs”) are required, not later than June 30, 2017 and April 1, 2017, respectively, to jointly issue one or more competitive solicitations for long term contracts to purchase Hydropower, MA Class 1 Renewable Energy and/ or Class 1 Renewable Energy Certificates, and associated transmission service (referred to herein as the “Solicitation Processes”). The Unitil EDC involved in the Solicitation Processes is Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”).

PURPOSE

The purpose of this Utility Standard of Conduct is to establish uniform protocols and guidelines to govern the conduct of Unitil employees and representatives related to the Solicitation Processes. Nothing in this document is intended to affect or modify the rights, obligations or duties of the Utilities arising under applicable state or federal laws, regulations or orders.

The Utilities acknowledge the need to follow a certain standard of conduct to ensure that the Solicitation Processes are conducted in a fair, transparent, and competitive manner, that all laws, regulations, rules, and standards and codes of conduct are observed, that all potential bidders are treated equally, that no potential bidder receives preferential treatment or confidential, non-public information not available to other potential bidders,

enabling it to gain an unfair competitive advantage, and that the efforts of the Utilities in the Solicitation Processes do not create any actual or apparent conflict of interest. The Utilities seek to avoid any actual or apparent conflict of interest by and among themselves and their affiliates who may submit a proposal and who may be participating in the solicitation and evaluation of proposals in the Solicitation Processes.

GUIDELINES

The following guidelines are to be followed by all Utility and Utility affiliate employees participating in the Solicitation Processes and all such persons must acknowledge and agree to follow these guidelines in all circumstances.

1. Effective January 30, 2017 and through and until the date described in paragraph 13 below, each Utility shall designate the individuals participating in a direct and meaningful way in the Solicitation Processes. Each such individual shall be designated to be on either a Bid Team or an Evaluation Team, no individual shall be a member of both Teams, and no individual may change from one Team to the other during the Solicitation Processes.
 - a. The Bid Team shall comprise members of the Utility or the Utility's affiliate(s) who are responsible for the planning, conduct, administration, endorsement, or oversight of the development of proposals in response to the Solicitation Processes Request for Proposals ("RFP").
 - b. The Evaluation Team will be responsible for the planning, conduct, administration, endorsement, or oversight of the development of the RFP, the evaluation of proposals, selection of proposed projects, negotiation of any agreements, and related filings with state and/or federal regulatory authorities under the Solicitation Processes.
 - c. Individuals who are neither members of the Bid Team nor Evaluation Team but who provide guidance, advice, information, or support to the Bid Team and/or Evaluation Team in the normal course of their responsibilities shall be identified as "Subject Matter Experts" (SME).
2. With respect to each aspect of the Solicitation Processes listed above, the degree of participation of each Utility will be consistent with applicable state and federal

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laws, regulations and orders, and each Utility will have the option to take further action as it deems necessary or appropriate to avoid an actual or perceived conflict of interest.

3. Throughout the Solicitation Processes the Bid Team and the Evaluation Team will be represented by separate principal in-house legal counsel; however, in-house attorneys not principally representing the Bid or Evaluation Team may serve as SMEs. The Bid Team and the Evaluation Team will be represented by separate outside counsel; however, outside law firms may establish ethical walls within their firm to ensure separation of attorneys principally supporting the Bid Team and those principally supporting the Evaluation Team. Outside counsel not primarily supporting the Bid or Evaluation Team for the Solicitation Processes may serve as SMEs.
4. In connection with the development of RFP(s) that will form part of the Solicitation Processes, the Utility will assess whether any additional reasonable measures could be instituted to avoid any actual or apparent conflict of interest and whether they would be reasonably practicable to implement.
5. The Bid Team and the Evaluation Team shall report through and operate within independent companies, business units or departments, to the extent feasible based on the corporate and organizational structure of the Utility.
6. Each Utility agrees and commits to include in any bid offered in response to the Solicitation Processes full disclosure of any ownership interest, financial interest, or other potential conflict of interest with respect to that bid.
7. Each Utility shall ensure that no confidential, non-public information regarding the solicitation or evaluation process, a proposal, or the evaluation of any proposal shall be communicated from members of the Evaluation Team to the Bid Team, except as provided to all bidders pursuant to the Solicitation Processes or as otherwise contemplated under the rules of the Solicitation Processes.
8. No member of the Evaluation Team may consult, advise or communicate directly or indirectly with a member of the Bid Team any confidential, non-public information regarding the Solicitation Processes, any proposal, or the evaluation

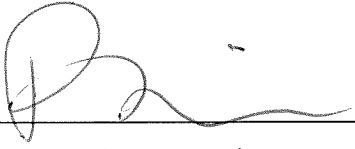
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- of any proposal during the bid preparation, submission or evaluation process, and vice-versa, except through the methods authorized under that Process.
9. No SME for the Solicitation Processes may communicate directly or indirectly any confidential, non-public information obtained from the Evaluation Team with a member of the Bid Team regarding the Solicitation Processes, any proposal, or the evaluation of any proposal during the bid preparation, submission or evaluation process, and vice-versa, except through the methods authorized under that Process.
 10. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the evaluation of all projects including any proposal submitted by that Utility and/or that Utility's affiliates.
 11. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the negotiation of contracts relating to any projects selected under the Solicitation Processes, including any proposal submitted by that Utility and/or that Utility's affiliates.
 12. Each Utility shall communicate these guidelines to all persons on the Bid Team and the Evaluation Team, and to the SMEs, and those persons shall certify in writing their commitment to honoring the guidelines and to referring any questions regarding compliance with the guidelines to the Utility's Designated Compliance Counsel.
 13. These Guidelines shall be in place until the earliest of (1) the conclusion of all regulatory filings or approval proceedings resulting from the Solicitation Processes; (2) the termination or abandonment of all Solicitation Processes; (3) the withdrawal of all bids by the Bid Team from the Solicitation Processes; (4) the written notification from the Bid Team to the Evaluation Team that the Bid Team will not submit a proposal in any Solicitation Processes; or (5) the official notification to the Bid Team that its proposal(s) in response to the Solicitation Processes was not successful.

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FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

d/b/a Unitil



Name: Robert S. Furino

Title: Vice President

UTILITY STANDARD OF CONDUCT
GOVERNING ACTIVITY RELATED TO THE SOLICITATIONS FOR
CLEAN ENERGY RESOURCES UNDER SECTIONS 83C AND 83D
OF THE MASSACHUSETTS GREEN COMMUNITIES ACT

January 30, 2016

INTRODUCTION

On August 8, 2016 Governor Baker signed “An Act to Promote Energy Diversity” (Chapter 188 of the Acts of 2016) which included amendments (“Sections 83C and 83D”) to the Massachusetts Green Communities Act. Pursuant to Sections 83C and 83D, the Massachusetts Electric Distribution Companies (“EDCs”) are required, not later than June 30, 2017 and April 1, 2017, respectively, to jointly issue one or more competitive solicitations for long term contracts to purchase Hydropower, MA Class 1 Renewable Energy and/ or Class 1 Renewable Energy Certificates, and associated transmission service (referred to herein as the “Solicitation Processes”). The National Grid EDCs involved in the Solicitation Processes are Massachusetts Electric Company, Nantucket Electric Company and, potentially, The Narragansett Electric Company (individually referred to as the “Utility”, and collectively the “Utilities”).

PURPOSE

The purpose of this Utility Standard of Conduct is to establish uniform protocols and guidelines to govern the conduct of National Grid employees and representatives related to the Solicitation Processes. Nothing in this document is intended to affect or modify the rights, obligations or duties of the Utilities arising under applicable state or federal laws, regulations or orders.

The Utilities acknowledge the need to follow a certain standard of conduct to ensure that the Solicitation Processes are conducted in a fair, transparent, and competitive manner, that all laws, regulations, rules, and standards and codes of conduct are observed, that all potential bidders are treated equally, that no potential bidder receives preferential

treatment or confidential, non-public information not available to other potential bidders, enabling it to gain an unfair competitive advantage, and that the efforts of the Utilities in the Solicitation Processes do not create any actual or apparent conflict of interest. The Utilities seek to avoid any actual or apparent conflict of interest by and among themselves and their affiliates who may submit a proposal and who may be participating in the solicitation and evaluation of proposals in the Solicitation Processes.

GUIDELINES

The following guidelines are to be followed by all Utility and Utility affiliate employees participating in the Solicitation Processes and all such persons must acknowledge and agree to follow these guidelines in all circumstances.

1. Effective January 30, 2017 and through and until the date described in paragraph 13 below, each Utility shall designate the individuals participating in a direct and meaningful way in the Solicitation Processes. Each such individual shall be designated to be on either a Bid Team or an Evaluation Team, no individual shall be a member of both Teams, and no individual may change from one Team to the other during the Solicitation Processes.
 - a. The Bid Team shall comprise members of the Utility or the Utility's affiliate(s) who are responsible for the planning, conduct, administration, endorsement, or oversight of the development of proposals in response to the Solicitation Processes Request for Proposals ("RFP").
 - b. The Evaluation Team will be responsible for the planning, conduct, administration, endorsement, or oversight of the development of the RFP, the evaluation of proposals, selection of proposed projects, negotiation of any agreements, and related filings with state and/or federal regulatory authorities under the Solicitation Processes.
 - c. Individuals who are neither members of the Bid Team nor Evaluation Team but who provide guidance, advice, information, or support to the Bid Team and/or Evaluation Team in the normal course of their responsibilities shall be identified as "Subject Matter Experts" (SME).

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2. With respect to each aspect of the Solicitation Processes listed above, the degree of participation of each Utility will be consistent with applicable state and federal laws, regulations and orders, and each Utility will have the option to take further action as it deems necessary or appropriate to avoid an actual or perceived conflict of interest.
3. Throughout the Solicitation Processes the Bid Team and the Evaluation Team will be represented by separate principal in-house legal counsel; however, in-house attorneys not principally representing the Bid or Evaluation Team may serve as SMEs. The Bid Team and the Evaluation Team will be represented by separate outside counsel; however, outside law firms may establish ethical walls within their firm to ensure separation of attorneys principally supporting the Bid Team and those principally supporting the Evaluation Team. Outside counsel not primarily supporting the Bid or Evaluation Team for the Solicitation Processes may serve as SMEs.
4. In connection with the development of RFP(s) that will form part of the Solicitation Processes, the Utility will assess whether any additional reasonable measures could be instituted to avoid any actual or apparent conflict of interest and whether they would be reasonably practicable to implement.
5. The Bid Team and the Evaluation Team shall report through and operate within independent companies, business units or departments, to the extent feasible based on the corporate and organizational structure of the Utility.
6. Each Utility agrees and commits to include in any bid offered in response to the Solicitation Processes full disclosure of any ownership interest, financial interest, or other potential conflict of interest with respect to that bid.
7. Each Utility shall ensure that no confidential, non-public information regarding the solicitation or evaluation process, a proposal, or the evaluation of any proposal shall be communicated from members of the Evaluation Team to the Bid Team, except as provided to all bidders pursuant to the Solicitation Processes or as otherwise contemplated under the rules of the Solicitation Processes.
8. No member of the Evaluation Team may consult, advise or communicate directly or indirectly with a member of the Bid Team any confidential, non-public

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- information regarding the Solicitation Processes, any proposal, or the evaluation of any proposal during the bid preparation, submission or evaluation process, and vice-versa, except through the methods authorized under that Process.
9. No SME for the Solicitation Processes may communicate directly or indirectly any confidential, non-public information obtained from the Evaluation Team with a member of the Bid Team regarding the Solicitation Processes, any proposal, or the evaluation of any proposal during the bid preparation, submission or evaluation process, and vice-versa, except through the methods authorized under that Process.
 10. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the evaluation of all projects including any proposal submitted by that Utility and/or that Utility's affiliates.
 11. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the negotiation of contracts relating to any projects selected under the Solicitation Processes, including any proposal submitted by that Utility and/or that Utility's affiliates.
 12. Each Utility shall communicate these guidelines to all persons on the Bid Team and the Evaluation Team, and to the SMEs, and those persons shall certify in writing their commitment to honoring the guidelines and to referring any questions regarding compliance with the guidelines to the Utility's Designated Compliance Counsel.
 13. These Guidelines shall be in place until the earliest of: (1) the conclusion of all regulatory filings or approval proceedings resulting from the Solicitation Processes; (2) the termination or abandonment of all Solicitation Processes; (3) the withdrawal of all bids by the Bid Team from the Solicitation Processes; (4) the written notification from the Bid Team to the Evaluation Team that the Bid Team will not submit a proposal in any Solicitation Processes; or (5) the official notification to the Bid Team that its proposal(s) in response to the Solicitation Processes was not successful.

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MASSACHUSETTS ELECTRIC COMPANY
AND NANTUCKET ELECTRIC COMPANY,
EACH D/B/A NATIONAL GRID

By its President:



Marcy Reed, President

National Grid

40 Sylvan Road

Waltham, Massachusetts 02154

**UTILITY STANDARD OF CONDUCT
GOVERNING ACTIVITY RELATED TO THE SOLICITATIONS FOR
CLEAN ENERGY RESOURCES UNDER SECTIONS 83C AND 83D
OF THE MASSACHUSETTS GREEN COMMUNITIES ACT**

January 30, 2017

INTRODUCTION

On August 8, 2016 Governor Baker signed “An Act to Promote Energy Diversity” (Chapter 188 of the Acts of 2016) which included amendments (“Sections 83C and 83D”) to the Massachusetts Green Communities Act. Pursuant to Sections 83C and 83D, the Massachusetts Electric Distribution Companies (“EDCs”) are required, not later than June 30, 2017 and April 1, 2017, respectively, to jointly issue one or more competitive solicitations for long term contracts to purchase Hydropower, MA Class 1 Renewable Energy and/ or Class 1 Renewable Energy Certificates, off-shore wind, and associated transmission service (referred to herein as the “Solicitation Processes”). The Eversource Energy EDCs involved in the Solicitation Process are NSTAR Electric Company and Western Massachusetts Electric Company (individually referred to as the “Utility”, and collectively the “Utilities”).

PURPOSE

The purpose of this Utility Standard of Conduct is to establish uniform protocols and guidelines to govern the conduct of Eversource employees and representatives related to the Solicitation Processes. Nothing in this document is intended to affect or modify the rights, obligations or duties of the Utilities arising under applicable state or federal laws, regulations or orders.

The Utilities acknowledge the need to follow a certain standard of conduct to ensure that the Solicitation Processes are conducted in a fair, transparent, and competitive manner, that all laws, regulations, rules, and standards and codes of conduct are observed, that all potential bidders are treated equally, that no potential bidder receives preferential treatment or confidential, non-public information not available to other potential bidders, enabling it to gain an unfair competitive advantage, and that the efforts of the Utilities in the Solicitation Processes do not create any actual or apparent conflict of interest. The Utilities seek to avoid any actual or apparent conflict of interest by and among themselves and their affiliates who may submit a proposal and who may be participating in the solicitation and evaluation of proposals in the Solicitation Processes.

GUIDELINES

The following guidelines are to be followed by all Utility and Utility affiliate employees participating in the Solicitation Processes and all such persons must acknowledge and agree to follow these guidelines in all circumstances.

1. Effective January 30, 2017 and through and until the date described in paragraph 13 below, each Utility shall designate the individuals participating in a direct and meaningful way in the Solicitation Processes. Each such individual shall be designated to be on either a Bid Team or an Evaluation Team, no individual shall be a member of both Teams, and no individual may change from one Team to the other during the Solicitation Processes.
 - a. The Bid Team shall comprise members of the Utility or the Utility's affiliate(s) who are responsible for the planning, conduct, administration, endorsement, or oversight of the development of proposals in response to the Solicitation Processes Request for Proposals ("RFP").
 - b. The Evaluation Team will be responsible for the planning, conduct, administration, endorsement, or oversight of the development of the RFP, the evaluation of proposals, selection of proposed projects, negotiation of any agreements, and related filings with state and/or federal regulatory authorities under the Solicitation Processes.
 - c. Individuals who are neither members of the Bid Team nor Evaluation Team but who provide guidance, advice, information, or support to the Bid Team and/or Evaluation Team in the normal course of their responsibilities shall be identified as "Subject Matter Experts" (SME).
2. With respect to each aspect of the Solicitation Processes listed above, the degree of participation of each Utility will be consistent with applicable state and federal laws, regulations and orders, and each Utility will have the option to take further action as it deems necessary or appropriate to avoid an actual or perceived conflict of interest.
3. Throughout the Solicitation Processes the Bid Team and the Evaluation Team will be represented by separate principal in-house legal counsel; however, in-house attorneys not principally representing the Bid or Evaluation Team may serve as SMEs. The Bid Team and the Evaluation Team will be represented by separate outside counsel; however, outside law firms may establish ethical walls within their firm to ensure separation of attorneys principally supporting the Bid Team and those principally supporting the Evaluation Team. Outside counsel not primarily supporting the Bid or Evaluation Team for the Solicitation Processes may serve as SMEs.

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4. In connection with the development of RFP(s) that will form part of the Solicitation Processes, the Utility will assess whether any additional reasonable measures could be instituted to avoid any actual or apparent conflict of interest and whether they would be reasonably practicable to implement.
5. The Bid Team and the Evaluation Team shall report through and operate within independent companies, business units or departments, to the extent feasible based on the corporate and organizational structure of the Utility.
6. Each Utility agrees and commits to include in any bid offered in response to the Solicitation Processes full disclosure of any ownership interest, financial interest, or other potential conflict of interest with respect to that bid.
7. Each Utility shall ensure that no confidential, non-public information regarding the solicitation or evaluation process, a proposal, or the evaluation of any proposal shall be communicated from members of the Evaluation Team to the Bid Team, except as provided to all bidders pursuant to the Solicitation Processes or as otherwise contemplated under the rules of the Solicitation Processes.
8. No member of the Evaluation Team may consult, advise or communicate directly or indirectly with a member of the Bid Team any confidential, non-public information regarding the Solicitation Processes, any proposal, or the evaluation of any proposal during the bid preparation, submission or evaluation process, and vice-versa, except through the methods authorized under that Process.
9. No SME for the Solicitation Processes may communicate directly or indirectly any confidential, non-public information obtained from the Evaluation Team with a member of the Bid Team regarding the Solicitation Processes, any proposal, or the evaluation of any proposal during the bid preparation, submission or evaluation process, and vice-versa, except through the methods authorized under that Process.
10. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the evaluation of all projects including any proposal submitted by that Utility and/or that Utility's affiliates.
11. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the negotiation of contracts relating to any projects selected under the Solicitation Processes, including any proposal submitted by that Utility and/or that Utility's affiliates.
12. Each Utility shall communicate these guidelines to all persons on the Bid Team and the Evaluation Team, and to the SMEs, and those persons shall certify in

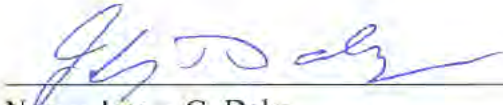
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writing their commitment to honoring the guidelines and to referring any questions regarding compliance with the guidelines to the Utility's Designated Compliance Counsel.

13. These Guidelines shall be in place until the earliest of (1) the conclusion of all regulatory filings or approval proceedings resulting from the Solicitation Processes; (2) the termination or abandonment of all Solicitation Processes; (3) the withdrawal of all bids by the Bid Team from the Solicitation Processes; (4) the written notification from the Bid Team to the Evaluation Team that the Bid Team will not submit a proposal in any Solicitation Processes; or (5) the official notification to the Bid Team that its proposal(s) in response to the Solicitation Processes was not successful.

WESTERN MASSACHUSETTS ELECTRIC COMPANY

NSTAR ELECTRIC COMPANY



Name: James G. Daly

Title: Vice President - Energy Supply

**UTILITY STANDARD OF CONDUCT
GOVERNING ACTIVITY RELATED TO THE SOLICITATION FOR LONG TERM
CONTRACTS FOR RENEWABLE ENERGY PROJECTS UNDER THE RHODE
ISLAND LONG-TERM CONTRACTING STANDARD**

August 27, 2018

INTRODUCTION

Pursuant to the Rhode Island Long-term Contracting Standard for Renewable Energy, R.I. Gen. Law § 39-26.1 (the “LTCS”), beginning on or before July 1, 2010, each Rhode Island public utility company is required to annually solicit proposals from renewable-energy developers and, provided commercially reasonable proposals have been received, enter into long-term contracts with terms up to fifteen years for the purchase of capacity, energy and attributes from newly developed renewable-energy resources. Pursuant to the LTCS, the electric distribution company must conduct solicitations until one hundred percent of the minimum long-term contract capacity under the LTCS is met (referred to herein as the “Solicitation Process”).

In addition, in 2017, Governor Gina M. Raimondo has established a goal of increasing Rhode Island’s clean energy portfolio ten-fold by 2020 by procuring up to an additional 400 megawatts (“MW”) nameplate capacity of renewable energy. To satisfy its obligations under the LTCS and to address Governor Raimondo’s clean energy portfolio goal, The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Utility”) is soliciting energy and Renewable Energy Certificates and related attributes (“RECs”) from renewable energy resources with a nameplate capacity of at least 20 MW, pursuant to executed PPAs with durations of 10 to 15 years (referred to herein as the “RFP”).

PURPOSE

The purpose of this Utility Standard of Conduct is to establish uniform protocols and guidelines to govern the conduct of employees and representatives of the Utility related to the Solicitation Process. Nothing in this document is intended to affect or modify the rights, obligations or duties of the Utility arising under applicable state or federal laws, regulations or orders.

The Utility acknowledges the need to follow a certain standard of conduct to ensure that the Solicitation Process is conducted in a fair, transparent, and competitive manner, that all laws, regulations, rules, and standards and codes of conduct are observed, that all potential bidders are treated equally, that no potential bidder receives preferential treatment or confidential, non-public information not available to other potential bidders, enabling it to gain an unfair competitive advantage, and that the efforts of the Utility in the Solicitation Process does not create any actual or apparent conflict of interest. The Utility seeks to avoid any actual or apparent conflict of interest by and among the Utility and its affiliates who may submit a proposal and who may be participating in the solicitation and evaluation of proposals in the Solicitation Process.

GUIDELINES

The following guidelines are to be followed by all Utility and Utility affiliate employees participating in the Solicitation Process and all such persons must acknowledge and agree to follow these guidelines in all circumstances.

1. Effective upon issuance of the RFP to potential bidders after such RFP is approved by the Rhode Island Public Utilities Commission, and through and until the date described in paragraph 13 below, the Utility shall designate the individuals participating in a direct and meaningful way in the Solicitation Process. Each such individual shall be designated

to be on either a Bid Team or an Evaluation Team, no individual shall be a member of both Teams, and no individual may change from one Team to the other during the Solicitation Process.

- a. The Bid Team shall comprise members of the Utility or the Utility's affiliate(s) who are responsible for the planning, conduct, administration, endorsement, or oversight of the development of proposals in response to the RFP.
 - b. The Evaluation Team will be responsible for the planning, conduct, administration, endorsement, or oversight of the development of the RFP, the evaluation of proposals, selection of proposed projects, negotiation of any agreements, and related filings with state and/or federal regulatory authorities under the Solicitation Process.
 - c. Individuals who are neither members of the Bid Team nor Evaluation Team but who provide guidance, advice, information, or support to the Bid Team and/or Evaluation Team in the normal course of their responsibilities shall be identified as "Subject Matter Experts" ("SMEs").
2. With respect to each aspect of the Solicitation Process listed above, the degree of participation of the Utility will be consistent with applicable state and federal laws, regulations and orders, and the Utility will have the option to take further action as it deems necessary or appropriate to avoid an actual or perceived conflict of interest.
3. Throughout the Solicitation Process, the Bid Team and the Evaluation Team will be represented by separate principal in-house legal counsel; however, in-house attorneys not principally representing the Bid or Evaluation Team may serve as SMEs. The Bid Team and the Evaluation Team will be represented by separate outside counsel; however,

outside law firms may establish ethical walls within their firm to ensure separation of attorneys principally supporting the Bid Team and those principally supporting the Evaluation Team. Outside counsel not primarily supporting the Bid or Evaluation Team for the Solicitation Processes may serve as SMEs.

4. In connection with the development of the RFP that will form part of the Solicitation Process, the Utility will assess whether any additional reasonable measures could be instituted to avoid any actual or apparent conflict of interest and whether they would be reasonably practicable to implement.
5. The Bid Team and the Evaluation Team shall report through and operate within independent companies, business units or departments, to the extent feasible based on the corporate and organizational structure of the Utility.
6. Each Utility or Utility affiliates agrees and commits to include in any bid offered in response to the Solicitation Process full disclosure of any ownership interest, financial interest, or other potential conflict of interest with respect to that bid.
7. Each Utility or Utility affiliates shall ensure that no confidential, non-public information regarding the solicitation or evaluation process, a proposal, or the evaluation of any proposal shall be communicated from members of the Evaluation Team to the Bid Team, except as provided to all bidders pursuant to the Solicitation Process or as otherwise contemplated under the rules of the Solicitation Process.
8. No member of the Evaluation Team may consult, advise or communicate directly or indirectly with a member of the Bid Team any confidential, non-public information regarding the Solicitation Process, any proposal, or the evaluation of any proposal during


the bid preparation, submission or evaluation process, and vice-versa, except through the methods authorized under that Process.

9. No SME for the Solicitation Process may communicate directly or indirectly any confidential, non-public information obtained from the Evaluation Team with a member of the Bid Team regarding the Solicitation Process, any proposal, or the evaluation of any proposal during the bid preparation, submission or evaluation process, and vice-versa except through the methods authorized under that Process.
10. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the evaluation of all projects including any proposal submitted by the Utility and/or the Utility's affiliates.
11. Since Utility members are divided into an Evaluation Team and a Bid Team subject to the standards contained in these guidelines, Evaluation Team members shall be permitted to participate in the negotiation of contracts relating to any projects selected under the Solicitation Process, including any proposal submitted by the Utility and/or the Utility's affiliates.
12. The Utility and the Utility's affiliates shall communicate these guidelines to all persons on the Bid Team and the Evaluation Team, and to the SMEs, and those persons shall certify in writing their commitment to honoring the guidelines and to referring any questions regarding compliance with the guidelines to the Utility's Designated Compliance Counsel.
13. These Guidelines shall be in place until the earliest of: (1) the conclusion of all regulatory filings or approval proceedings resulting from the Solicitation Process; (2) the

termination or abandonment of all Solicitation Processes; (3) the withdrawal of all bids by the Bid Team from the Solicitation Process; (4) the written notification from the Bid Team to the Evaluation Team that the Bid Team will not submit a proposal in any Solicitation Processes; or (5) the official notification to the Bid Team that its proposal(s) in response to the Solicitation Processes was not successful.

**THE NARRAGANSETT ELECTRIC COMPANY
D/B/A NATIONAL GRID**

By its President:



Timothy F. Horan
280 Melrose Street
Providence, RI 02901