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May 5, 2017

Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station, 5<sup>th</sup> Floor  
Boston, MA 02110

Re: Long-Term Contracts for Offshore Wind Energy Generation Pursuant to Section 83C of  
Chapter 169 of the Acts of 2008-D.P.U. 17-103  
Revised Request for Proposals

Dear Secretary Marini:

On April 28, 2017, pursuant to Section 83C, and 220 C.M.R. § 23.00 *et seq.*, Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy (collectively, the “Distribution Companies” or “Petitioning Parties” and each a “Distribution Company”), submitted a request to the Department of Public Utilities (the “Department”) to approve the timetable and method for the solicitation and execution of the long-term offshore wind energy generation contracts pursuant to Section 83C of the Green Communities Act, as added by Chapter 188 of the Acts of 2016, An Act to Promote Energy Diversity (hereinafter “Section 83C”). The timetable and method of solicitation were submitted in proposed Request for Proposals (“RFP”) for review and approval by the Department.

Since that filing, the Distribution Companies have determined that the definition of “Offshore Delivery Facilities” warranted clarification, along with related provisions in the RFP in Sections 1.7.5 (Appendices), 2.2.1.3 (Eligible Bid Categories), 2.2.1.3.1 (Offshore Wind Energy Generation with a Project Specific Generator Lead Line Proposal), 2.2.1.3.2 (Offshore Wind Energy Generation with an Expandable Transmission Proposal Under a FERC Tariff), 2.2.1.4(ii) (Allowable Forms of Pricing), 2.2.2.1 (Site Control and Related Agreements), 2.2.2.11 (Security Requirements), 2.3.2(iii)(Qualitative Evaluation-Benefits, Costs and Contract Risk); and 3.2 (Bidders Conference; Bidder Questions; Notice of Intent to Bid). Spelling, grammar and spacing issues have also been addressed.

The RFP has been revised in coordination with the Department of Energy Resources, the Office of the Attorney General and the Independent Evaluator. Accordingly, please use this version of the RFP for review.

Very truly yours,

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY D/B/A UNITIL**

By its attorney,



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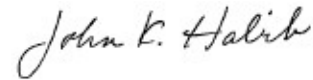
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By its attorneys,



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Revised - May 5, 2017

**REQUEST FOR PROPOSALS**

**FOR**

**LONG-TERM CONTRACTS FOR**

**OFFSHORE WIND ENERGY**

**PROJECTS**

Issuance Date: June 30, 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.<sup>1</sup>

**“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.<sup>2</sup>

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

**“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

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

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

<sup>3</sup> <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.<sup>4</sup>

**“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.<sup>5</sup>

**“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

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

<sup>5</sup> <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.<sup>6</sup>

**“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.<sup>7</sup>

**“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 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).

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

<sup>7</sup> <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.<sup>8</sup> 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

<sup>8</sup> 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.<sup>9</sup> 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.

<sup>9</sup> 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 two hundred and eighty-seven (287) 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)
- Appendix C-3 Offshore Delivery Facilities Service Requirements
- Appendix D Certification
- Appendix E Procurement Statute
- Appendix F Confidential Information
- Appendix G Utility Standard of Conduct
- Appendix H Bid Submittal Instructions

### 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 Project<sup>10</sup> 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

<sup>10</sup> 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.<sup>11</sup> 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

<sup>11</sup> 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.<sup>12</sup> 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

<sup>12</sup> 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.,<sup>13</sup> 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

<sup>13</sup> 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 and without 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 and without 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 287-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**

<b>Event</b>	<b>Anticipated Dates</b>	<b>Elapsed Time</b>
<b>Issue RFP</b>	June 30, 2017	Time 0
<b>Bidders Conference</b>	July 19, 2017	T+ 19 days
<b>Submit Notice of Intent to Bid</b>	July 26, 2017	T+ 26 days
<b>Deadline for Submission of Questions</b>	July 26, 2017	T+ 26 days
<b>Due Date for Submission of Proposals</b>	December 20, 2017	T+ 173 days
<b>Selection of Projects for Negotiation</b>	May 22, 2018	T+ 326 days
<b>Negotiate and Execute Long Term Contracts</b>	October 3, 2018	T+ 460 days
<b>Submit Long Term Contracts for DPU Approval</b>	November 1, 2018	T+ 489 days

**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.

**REQUEST FOR PROPOSALS**

**FOR**

**LONG-TERM CONTRACTS FOR**

**OFFSHORE WIND ENERGY**

**PROJECTS**

Issuance Date: June 30, 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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Deleted: Transmission

## Definitions

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

“**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.<sup>2</sup>

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

“**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

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

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

<sup>3</sup> <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.<sup>4</sup>

**“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.<sup>5</sup>

**“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

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

<sup>5</sup> <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.<sup>6</sup>

“**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 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.<sup>7</sup>

“**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 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).

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

<sup>7</sup> <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 (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.<sup>8</sup> 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

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<sup>8</sup> 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 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.<sup>9</sup> 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.

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<sup>9</sup> 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.

Deleted:

**1.7.1 Proposal Submission Deadline**

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

**1.7.2 Proposal Validity**

Proposals shall be valid for two hundred and eighty-seven (287) days from the date of the Proposal Submission Deadline.

Deleted:

**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 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)
- Appendix C-3 Offshore Delivery Facilities Service Requirements
- Appendix D Certification
- Appendix E Procurement Statute
- Appendix F Confidential Information
- Appendix G Utility Standard of Conduct
- Appendix H Bid Submittal Instructions

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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

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 Project<sup>10</sup> 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 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

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<sup>10</sup> 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 bid submittal meets all of the requirements of this RFP. Submission of a bid fee does 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.<sup>11</sup> 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

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<sup>11</sup> 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. should indicate their expectation for the number and timing of contracts.

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### 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 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.<sup>12</sup> Appendix C-3 contains the 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.

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

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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

<sup>12</sup> 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 aggregate nameplate capacity of Offshore Wind Energy Generation contemplated by Section 83C.

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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 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.

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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 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:

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- 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 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.

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#### **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 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,<sup>13</sup> 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 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

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<sup>13</sup> 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.

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Project Specific Generator Lead Line proposed under section 2.2.1.3, 1 (1), above, a map that shows those facilities' location(s);

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- 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.

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#### **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 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,

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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

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 and without 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 and without 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 of delay or failure of future Offshore Wind Energy Generation Projects, including possible stranded costs to borne by ratepayers.

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#### 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.

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**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;

- o Overall impact of proposals on the Commonwealth’s policy goals, as directed by the DOER, including GWSA goals;
- o Risks associated with project viability of the proposals;
- o 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;
- o 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;
- o Ratepayer bill impacts;
- o Any benefits to customers that may not have been fully captured in the Stage Two evaluation; and,
- o 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.

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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 287-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

**Chart 1  
RFP Schedule**

<b>Event</b>	<b>Anticipated Dates</b>	<b>Elapsed Time</b>
<b>Issue RFP</b>	June 30, 2017	Time 0
<b>Bidders Conference</b>	July 19, 2017	T+ 19 days
<b>Submit Notice of Intent to Bid</b>	July 26, 2017	T+ 26 days
<b>Deadline for Submission of Questions</b>	July 26, 2017	T+ 26 days
<b>Due Date for Submission of Proposals</b>	December 20, 2017	T+ 173 days
<b>Selection of Projects for Negotiation</b>	May 22, 2018	T+ 326 days
<b>Negotiate and Execute Long Term Contracts</b>	October 3, 2018	T+ 460 days
<b>Submit Long Term Contracts for DPU Approval</b>	November 1, 2018	T+ 489 days

**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 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](#).

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### 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.

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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.