

Amendment #10 to H4515

Environmental Justice and Economic Opportunity

Ms. Miranda of Boston move to amend the bill by striking out section (20) subsection (b) through (d) and inserting in place thereof the following subsections (b) through (d) and insert the following subsections (x) after subsection (o):-

(b) The timetable and method for solicitations of long-term contracts shall be proposed by the department of energy resources in coordination with the distribution companies using a competitive bidding process, and shall be subject to review and approval by the department of public utilities. The department of energy resources, in coordination with the distribution companies, shall consult with the attorney general regarding the choice of solicitation methods. If the department of energy resources and the distribution companies are unable to agree on a timetable and method for solicitations, the department of energy resources, in consultation with the independent evaluator, shall make a final determination as to the timetable and methods for solicitations to be submitted to the department of public utilities for approval. A solicitation may be coordinated and issued jointly with other New England states or entities designated by those states. The distribution companies may conduct 1 or more competitive solicitations through a staggered procurement schedule developed by the department of energy resources in coordination with the distribution companies; provided, that the schedule shall ensure that the distribution companies enter into cost-effective long-term contracts for offshore wind energy generation equal to approximately 5,600 megawatts of aggregate nameplate capacity not later than June 30, 2027, including capacity authorized pursuant to section 21 of chapter 227 of the acts of 2018; and provided further, that individual solicitations shall seek proposals for no less than 400 megawatts of aggregate nameplate capacity of offshore wind energy generation resources. The staggered procurement schedule developed by the department of energy resources in coordination with the distribution companies, if applicable, shall specify that a subsequent solicitation shall occur within 24 months of a previous solicitation. If the department of energy resources, in consultation with the distribution companies and the independent evaluator, determines that reasonable proposals were not received pursuant to a solicitation, the department of energy resources may terminate the solicitation, and may require additional solicitations to fulfill the requirements of this section. Proposals received pursuant to a solicitation under this section shall be evaluated by the selection committee established in subsection (o). As part of the evaluation process, the selection committee shall produce a numeric score for each

bid's economic development commitments and for plans for financial and technical assistance to support wildlife and habitat monitoring; provided, that plans for financial and technical assistance to support wildlife and habitat monitoring shall represent not less than 5 per cent of a bid's overall score in the solicitation. The department of energy resources shall consult with the supplier diversity office in drafting those sections of a solicitation that advance the purpose of creating opportunities for diversity, equity, and inclusion. The supplier diversity office may render such assistance through the following means, without limitation: (i) The supplier diversity office may participate in the department of public utilities hearing processes related to the procurement of offshore wind generation and transmission resources. (ii) The supplier diversity office shall prepare guidance to developers regarding best practices to advance the purposes of this Act. (iii) The department of energy resources and the supplier diversity office shall consult with the Massachusetts Clean Energy Center and the Massachusetts Environmental Justice Advisory Committee in drafting those sections of a solicitation or regulations that advance the purpose of this Act.

(c) In developing proposed long-term contracts, the distribution companies shall consider long-term contracts for renewable energy certificates, for energy and for a combination of both renewable energy certificates and energy. A distribution company may decline to pursue a contract resulting from a proposal if the proposal's terms and conditions would require the contract obligation to place an unreasonable burden on the distribution company's balance sheet; provided, however, that the distribution company shall take all reasonable actions to structure the contracts, pricing or administration of the products purchased under this section in order to prevent or mitigate an impact on the balance sheet or income statement of the distribution company or its parent company, subject to the approval of the department of public utilities; and provided further, that mitigation shall not increase costs to ratepayers. If a distribution company deems a contract to be unreasonable, the distribution company shall consult with the department of energy resources and, within 20 days of the date of its decision, submit a filing to the department of public utilities. The filing shall include, in the form and detail prescribed by the department of public utilities, documentation supporting the distribution company's decision to decline the contract as unreasonable. Following a distribution company's filing, and within 4 months of the date of filing, the department of public utilities shall approve or reject the distribution company's decision and may order the distribution company to reconsider any contract. The department of public utilities shall take into consideration the recommendations of the department of energy resources concerning the distribution company's decision. The

final contract executed shall be subject to review by the department of public utilities. The department of energy resources may require additional solicitations to fulfill the requirements of this section.

(d) The department of public utilities shall promulgate regulations consistent with this section. The regulations shall: (1) allow offshore wind developers of offshore wind energy generation to submit proposals for long-term contracts consistent with this section; (2) require that a proposed long-term contract executed by the distribution companies under a proposal be filed with, and approved by, the department of public utilities before becoming effective; (3) provide for an annual remuneration for the contracting distribution company up to 2.5 per cent of the annual payments under the contract; provided, that the distribution company demonstrates either: (i) that the financing cost reduction enabled by entering into the contract as compared to an uncontracted merchant project is equal to or greater than the requested remuneration rate, or (ii) that the financial obligation or risk incurred by the distribution company for entering into the long-term contract support the requested remuneration rate, such provision to be acted upon by the department of public utilities at the time of contract approval; (4) require associated transmission costs to be incorporated into a proposal; provided, that to the extent there are transmission costs included in a bid, the department of public utilities may authorize or require the contracting parties to seek recovery of such transmission costs of the project through federal transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory Commission, to the extent the department finds such recovery is in the public interest; and (5) require that proposals meet the following criteria: (i) provide enhanced electricity reliability and energy security; (ii) contribute to reducing winter electricity price spikes; (iii) are cost effective to electric ratepayers in the commonwealth over the term of the contract, taking into consideration potential economic and environmental benefits to the ratepayers; (iv) avoid line loss and mitigate transmission costs to the extent possible and ensure that transmission cost overruns, if any, are not borne by ratepayers; (v) provide optimal interconnection locations; (vi) adequately demonstrate project viability in a commercially reasonable timeframe; (vii) allow offshore wind energy generation resources to be paired with energy storage systems, including new and existing long-duration and multi-day energy storage systems; (viii) include an initial environmental and fisheries mitigation plan for the construction and operation of such offshore wind facilities; (ix) mitigate impacts to the marine environment by providing financial and technical assistance to support robust monitoring of wildlife and habitat through a contribution to regional research efforts; (x) include benefits to environmental justice populations and low-income ratepayers in the commonwealth; (xi) include plans for

utilization of minority and disadvantaged business enterprises and the hiring of members of socially or economically disadvantaged communities; (xii) The plan required in subclause (vi) of clause 5 of subsection (d) of section 83C shall include:

(i) but not be limited to, a detailed plan for the utilization of minority business enterprises and disadvantaged business enterprises, as that term is defined in section 7 chapter 58 as: (a) contractors in the design of the offshore wind energy generation and transmission resources; (b) contractors in the construction of the offshore wind energy generation and transmission resources; and (c) vendors in the provision of goods and services procured by the offshore wind developer.

(ii) the hiring of members of members of socially or economically disadvantaged communities as employees in the design, construction, and production of offshore wind generation and transmission resources.

(iii) evidence that the developer has made serious good faith effort to solicit and interview a reasonable number of minority investors.

(x) A solicitation for offshore wind generation or transmission resources pursuant to this Act or section 83C of chapter 188 of the Acts of 2018 shall describe procedures by which the department of energy resources and the supplier diversity office will monitor, measure, and enforce ongoing compliance with goals set by respondents pursuant to this section 8. Such procedures shall, without limitation:

(i) require respondents to solicitations covered by this Act to make quarterly reports to the department of energy resources and the department of public utilities describing the number of contracts, total dollar amounts contracted with and actually paid to minority business enterprises, women business enterprises and veteran business enterprises for design and construction of the proposed offshore wind generation or transmission

resources, and the total number and value of all subcontracts awarded to a minority, women and veteran owned business, and a comparison of these reports with the goals established by the respondent in accordance with section 1 of this Act;

(ii) describe a process by which the department of energy resources will publicly review and post such reports, and require respondents to submit information to the department of energy resources regarding any failure to meet the goals set by the respondent, identify any good faith efforts that have been undertaken to achieve those goals and provide a plan to bring the dollar amount contracted and spent into compliance with the goals;

and (xiii) where feasible, create and foster economic development and quality, high-paying jobs in the commonwealth.

**Additional co-sponsor(s) added to Amendment #10, as changed to H4515
Environmental Justice and Economic Opportunity**

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