

Mansfield Municipal Electric Department

125 High Street, Unit 1; Mansfield, Massachusetts 02048

General Manager Joseph M. Sollecito, Esq.

May 16, 2022

Representative Adam Scanlon Massachusetts State House 24 Beacon St; Room 26 Boston, MA 02133

Re: SB2842 "An Acting driving climate policy forward" and HB4515, "An Act advancing offshore wind and clean energy"

Dear Representative Scanlon,

As the Conference Committee begins negotiations on <u>SB2842 "An Act driving climate policy forward"</u> and <u>HB4515, "An Act advancing offshore wind and clean energy"</u>, Mansfield Municipal Electric Department wishes to express our support for the establishment of a competitive solicitation process to procure energy transmission for offshore wind. This provision was included in Section 23 of HB4524, and we have requested that the conference committee adopts it in any conference committee report.

Mansfield Municipal Electric Department serves 10,546 customers in your district. Mansfield Municipal Electric Department is a member of the Massachusetts Municipal Wholesale Electric Company (MMWEC), the Commonwealth's designated joint action agency for municipal utilities in the state. Established under Chapter 775 of the Acts of 1975, MMWEC is authorized to issue tax-exempt debt, and has issued \$5 billion in bonds to finance a wide range of energy facilities. MMWEC provides a variety of power supply, financial, risk management and other services to the state's consumer-owned, municipal utilities.

Transmission represents a major expense for municipal light departments. It is more expensive than energy and capacity, and transmission costs continue to rise. Preliminary results from several future transmission needs studies show that it will be necessary to make major transmission investments to meet the Massachusetts and other New England states' decarbonization goals. For example, the preliminary results of the 2050 Transmission Study, conducted by ISO New England at the request of the New England states, shows that nearly half of the transmission miles of Pool Transmission Facilities (PTF) will become overloaded by 2050.

Current transmission build-out in Massachusetts and the region, based on Federal Energy Regulatory Commission approved tariffs and procurement procedures, results in transmission infrastructure that is not sufficiently cost competitive and does not minimize environmental impact. A 2020 Brattle Group report, Offshore Transmission in New England: The Benefits of a Better-Planed Grid, found that developing independent offshore transmission would reduce marine cabling by 49%.

This study and others have shown that a planned solicitation for the independent procurement of transmission results in savings to ratepayers. In fact, the Brattle report found over \$1 billion in avoided onshore upgrades and 10% overall (onshore plus offshore) transmission costs savings from developing independent transmission.

Procuring transmission independently increases competition. New Jersey's recent procurement of offshore transmission attracted 13 bidders and 79 bids, whereas Massachusetts' last procurement of bundled offshore wind generation including associated transmission attracted only two bidders. Studies from the U.K. show that competition across independent transmission developers reduced costs 20% to 30%. Municipal light plants (MLPs) such as Mansfield Municipal Electric Department are interested in participating in transmission ownership through MMWEC, but to date, we have been precluded from participating in the process.

There is diverse stakeholder support for independent transmission development. Business, labor, academic and environmental organization members of New England for Offshore Wind have also weighed in favorably on this issue.

We thank you for your consideration and urge you to contact Conference Committee members to ask for their support for a competitive solicitation process for offshore wind energy transmission. If you have any questions, please feel free to reach out.

oseph M. Sollecito, Esq.

General Manager