

Garncarz, Magdalena (HOU)

From: Robert FitzPatrick <rfitzpatrick@MassCEC.com>
Sent: Tuesday, January 25, 2022 12:35 PM
To: Roy, Jeff - Rep. (HOU); Oakes, Caleb (HOU)
Cc: Garncarz, Magdalena (HOU); Frongillo, Cobi (HOU)
Subject: Comments on H3310

Dear Chairman Roy,

Thank you for your interest in receiving our feedback regarding H3310 “An Act advancing offshore wind and clean energy.” We would like to express our deep gratitude to you and your staff for your leadership and hard work on this issue. We are grateful that the TUE Committee has put forward a bill that recognizes the significant role of offshore wind in the Commonwealth’s energy future and the importance of economic development opportunities for the state with this emerging new industry. We appreciate the recognition of the critical role MassCEC has played in developing the clean energy industry in the Commonwealth, the need for increased funding in support of our efforts and for identifying MassCEC as the agency to lead the next phase in the state’s offshore wind economic development efforts. We believe we are the agency best positioned to lead the state’s efforts to grow the clean energy industry, including offshore wind, while helping to meet the state’s ambitious climate goals and are ready for the opportunity to increase the scale of our work.

We are extremely pleased to see the increase in the systems benefit charge for MassCEC. The Commonwealth is at a critical juncture in the path to meet our nation-leading climate goals. As laid out in the 2030 Clean Energy and Climate Plan and 2050 Deep Decarbonization Roadmap, the Commonwealth will need to make rapid progress in deploying new technologies and approaches, not just to scale up the generation of electricity from renewable resources such as offshore wind, but to transform the buildings and transportation sectors to dramatically increase energy efficiency and electrification. In parallel, we will need to transform our electric distribution grid to accommodate renewable distributed generation, including offshore wind. Accomplishing our climate goals will require a significant infusion of capital and support, including from both the private sector and government sources. We support the Legislature for recognizing this need and believe that the amount of ongoing funding that this bill would generate is commensurate with the challenges that we face.

MassCEC’s work is centered around growing the state’s clean energy economy and supporting the achievement of our climate goals. This is reflected in our four strategic focus areas: buildings, transportation, offshore wind, and net zero grid. Throughout each of these focus areas, we are committed to workforce training and innovation and to ensuring this once in a generation opportunity to transform our economy does not leave underrepresented populations, including Environmental Justice communities, behind. We believe that all four of these strategic focus areas are critical and that they support one another as we work to meet our ambitious climate goals in 2030 and 2050. MassCEC’s work is based on identifying the gaps in achieving those goals and designing programs to help address those gaps, supporting and growing the industry while leveraging significant amounts of private capital. We believe that this funding would better serve the goals of the Commonwealth if it were directed toward all aspects of the clean energy transformation, allowing MassCEC to direct funds to where they are most needed as the industry evolves.

There is no doubt that the offshore wind industry will be a dynamic and crucial driver for jobs and economic development in Massachusetts. For more than a decade, MassCEC has endeavored to lay the foundation for offshore wind in Massachusetts and to develop the workforce and supply chain that will allow the

Commonwealth to reap the benefits of this emerging industry. We are committed to continuing in that role and are thankful to the Legislature for supporting us in that mission.

Section 5 of the bill accurately captures the coordination role that we envision ourselves playing in the offshore wind industry. We also commend the Legislature for recognizing that the industry can benefit from additional funding as we shift from the planning phase to the implementation of commercial projects at scale. We anticipate that the best way to attract and maintain investment in Massachusetts from offshore wind developers and tier 1 manufacturers is to provide substantial up-front investment in ports and infrastructure, and that such a commitment will be more impactful in the long run than a consistent stream of funding aimed at enticing companies to locate in Massachusetts. We are grateful to the legislature for the \$90 million in funding for ports and infrastructure that was previously approved as part of the FY 20022 budget and would recommend considering following a similar approach with even more substantial funding to meet the needs of planned and proposed port facilities up and down the coast. Consistent longer-term funding, however, is perfectly suited for the sorts of ongoing investment in the larger clean energy transition across all sectors that MassCEC has spearheaded since its inception.

When considering longer term economic development in offshore wind in Massachusetts we have focused on our strengths as a state: our excellent academic and educational institutions, our leadership in innovation, and our longstanding history of entrepreneurship. MassCEC has invested in developing offshore wind curricula in Massachusetts schools, particularly Bristol Community College and Mass Maritime Academy. This investment has helped to catalyze the formation of the National Offshore Wind Institute. Continued investment in developing a Massachusetts based center for excellence in offshore wind research, education and training will go a long way toward maximizing the long term local economic benefits of offshore wind. These efforts are fully consistent with Section 5 of H3310 and could be supported with funds from the increase in the systems benefit charges.

Similarly, economic development funding should focus not just on attracting larger companies, but also on emerging, small and mid-sized companies that will play a critical role in building out a robust supply chain to source more content locally in the Commonwealth. We believe these smaller and emerging players would benefit more directly from the type of support we have provided historically through competitive solicitations around targeted focus area as opposed to larger and more narrowly focused economic development tools. We anticipate that smaller and emerging local companies could struggle to take advantage of a program with rigorous certification and claw back provisions. Additionally, requiring separate Administration and Finance approval for individual grants would be unnecessarily burdensome. MassCEC has diligent oversight from our Board of Directors, which includes the Secretary of ANF. MassCEC pays grant funds as milestones are achieved, therefore minimizing the risk of funds not achieving the program objectives.

We recognize the political and economic importance of the burgeoning offshore wind industry and are encouraged by the Committees commitment to increasing investment to catalyze the industry and maximize economic benefits. As laid out above, we believe that this can best be done by investing in MassCEC and enabling us to expand naturally upon our efforts to date. We believe MassCEC is positioned to drive innovation and economic development across all areas of the clean energy economy to enable us to meet our critical climate goals.

Thank you for taking the time to consider our views on this legislation. We are, as always, open to any questions or input you have.

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