

Comparison of Massachusetts Clean Energy Legislation and Positions of RENEW Northeast (version 2.0)



ISSUE	HOUSE Bill 4524	SENATE Bill 2842	RENEW Position
Offshore Wind			
Increase the 5,600 megawatts by 2027 procurement requirement	Not addressed	Lines 1047-1059. The department of energy resources (DOER) must <i>strive</i> to achieve the goal of not less than 10,000 megawatts of offshore wind capacity, including the current 5,600 megawatts, by not later than 2035	Adopt the Senate language modified to have a requirement and not a goal of an additional 4,400 megawatts by 2030 (10,000 megawatts total) to realize one-third of President Biden’s 30-gigawatt offshore wind goal, establish a trajectory for Massachusetts to realize the 15 to 20 gigawatts of offshore wind needed under the pathways forecast, and align with the desired magnitude of economic development from clean energy.
Declining price cap	Lines 638-643. Eliminates the declining price requirement and states that the “solicitation process shall not be deemed uncompetitive by the department of public utilities based solely on the distribution companies receiving a bid or multiple bids from a single company or its affiliates”	Lines 554-561. Excludes from the declining price cap increased costs for documented, direct and performance-based economic development and employment opportunities for economically distressed areas and for low-income and middle-income populations and for diversity, equity and inclusion and supplier diversity programs; these economic development costs cannot result in a contract raising the total cost of the procurement more than 10% above the previous procurement.	Adopt the House language. Some clarity is required to ensure this is a clean elimination of the price cap. Competition and technological innovation have been responsible for today’s low prices and not the price cap. Removal of the declining price requirement will also accommodate the newer floating technology that has higher costs than today’s fixed-bottom approach but is expected to decline significantly during this decade.
Transmission	Lines 848-889. Creates transmission working group. DOER is required not later than March 1, 2023, to solicit and	Not addressed	Adopt House language with minor changes. New England does not have the luxury of time before upgrades to

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	<p>procure proposals for offshore wind energy transmission that are developed independent of offshore wind energy generation and made available for use by more than 1 wind energy generation project. The department shall be permitted to select 1 proposal, multiple proposals, or no proposals.</p>		<p>the transmission system are needed to meet its decarbonization requirements. The bill should require measures in transmission agreements that address project-on-project risks (e.g., include reasonable financial assurance requirements on transmission developers and other risk reduction measures). DOER should also be required to ensure any transmission solution selected has technology that is competition friendly including compatibility with a range of interconnecting generator technologies while preserving flexibility to accommodate advances in technology. RENEW has issued a report explaining the immediate need for regional transmission development and a blueprint for cooperation among the New England States.</p>
Mitigation plans	<p>Lines 770-778. Developers must include an environmental and fisheries mitigation plan for the construction and operation of such offshore wind facilities. It must have a detailed description of the best management practices the applicant will employ, informed by the latest science at the time the plan is made.</p> <p>Lines 3-18, 779-783, and 995-997. Establishes an environmental working</p>	<p>Lines 1188-1223. Establishes a commercial fisheries commission to address subjects including the responsible development of offshore energy projects, mitigation and support strategies to ensure the long-term sustainability of fisheries in the commonwealth, the creation of a comprehensive infrastructure to enable effective dialogue between fishing industry stakeholders and those involved in the development of marine-</p>	<p>Adopt the House language with changes to clarify that developers are expected to adapt the mitigation plans at the time of federal project approval to (1) account for changes to best practices based on technological innovation and advances in scientific understanding of the marine environment, and (2) conform to federal conditions on development and operation. The environmental and fisheries mitigation plans, while they</p>

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	group and a fisheries working group comprised of key experts and stakeholders to provide input on best practices for avoiding, minimizing and mitigating impacts.	based energy generation and transmission projects including, but not limited to, the offshore generation and transmission. It will meet not less than 4 times each year and produce a report annually.	should be a requirement, should be scored on a pass/fail basis. The EDCs should be required to disclose the details on the weighting of all criteria.
Economic development	<p>Sections 2-16. The bill contains provisions to promote workforce and economic development, giving the Massachusetts Clean Energy Center the directive to serve as the focal point for state-wide coordination on offshore wind research and development.</p> <p>Through MassCEC, a new Offshore Wind Industry Investment Trust Fund is created to promote innovation and technological research, encourage offshore wind manufacturing facilities, and provide funding for port revitalization and workforce development.</p> <p>Preference given to proposals with project labor agreements.</p>	Sections 9 and 67. Creates a Clean Energy Investment Fund to support a wide range of clean energy workforce development goals.	RENEW defers to the General Court on how best to realize direct economic development investments from clean energy. Adopt House labor language.
Remuneration	Lines 704-711. Up to 2.5% provided the EDCs demonstrate the need for (e.g., to reduce risk/lower cost to consumers)	Not addressed	Adopt the House language or move to a clean elimination of utility remuneration. Consumers will benefit from lowering or eliminating the amount the electric distribution companies (EDCs) receive for serving as counterparties to offshore wind contracts. Connecticut and Rhode

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			Island utility commissions have concluded that remuneration is unnecessary. The Rhode Island legislature last week passed an offshore wind bill that the governor is expected to sign lowering utility remuneration to <u>up to one percent</u> . The utility must show a need for remuneration (e.g., risk to credit rating) and the commission can still set it at zero percent as before.
Selection committee	Lines 791-793. No member of the selection committee shall have a financial interest in any company or affiliated company that has submitted a bid or multiple bids	Not addressed	Adopt the House language or an alternative that excludes the EDCs from the evaluation team in competitive RFPs. DOER should be the sole entity responsible for project selection while being able to <i>consult</i> with the EDCs and receive recommendations from the Attorney General’s Office.
Energy Storage			
Procurement	Lines 903-942. The bill requires a study be conducted on long-duration energy storage. Following the study, a solicitation for 4,800 megawatt-hours of storage could result that does not appear to be limited to long-duration energy storage but would also allow for shorter duration energy storage. The legislative intent seems to be only for a procurement of long duration storage.	Lines 716-758. DOER must study and make recommendations on energy storage systems with a 4-to-12-hour capacity (line 722), long duration and multi-day energy storage systems and energy storage peak renewable power	Adopt a blend of the Senate and House language. Establish a new procurement program for energy storage systems (2-4 hour) and long duration energy storage systems that covers new and existing resources including development of any incremental upgrades at existing long duration storage facilities after July 1, 2021. Recent New York Power Authority study for New York City shows 4-hour storage becomes increasingly beneficial each year as output duration of fossil

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			fueled peaker plants decreases dramatically to 2-3 hours due to addition of offshore wind additions and new AC transmission projects allowing land-based clean energy imports. See Figures 10 and 13 in the report.
Target	Lines 911-913. Potentially 4,800 megawatt-hours	Not addressed	Adopt a robust energy storage requirement to match the magnitude needed to achieve decarbonization requirements, by raising the existing 1,000 MWh goal to 3,000 megawatts by 2030. 2030 targets have been set in smaller Connecticut (1,000 MW) and larger New York (6,000).
Distribution rate	Lines 890-902. Create a wholesale distribution service rate schedule to apply to standalone energy storage systems.	Not addressed	Adopt the House language. Under current rules, distribution-connected batteries pay retail rates when they charge from the grid, but only earn wholesale prices when they sell energy back onto the grid. Applying retail rates to distribution-connected batteries is inappropriate, and cost-prohibitive to the development of new energy storage systems.
Land-Based Renewables			
Procurement of land-based wind and solar	Not addressed	Lines 914-928. DOER must study and make recommendations on the potential costs and benefits of coordinating with other New England states undertaking competitive solicitation for approximately 1,750,000 megawatt	Adopt a modified version of the Senate language to establish a requirement for procurement of land-based large renewables. While the original procurements pursuant resulted in completion of some projects, others had

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		hours of long-term clean energy generation	to terminate due to transmission constraints and siting issues resulting in less than the statutory goal being reached. To achieve decarbonization at the lowest cost, Massachusetts will need all these resources. Re-establishing procurement requirements for these resources will enable Massachusetts to work with other New England states in joint procurements for wind and solar generation and the associated transmission upgrades needed to bring the carbon-free energy from these low-cost resources to load centers. Massachusetts could piggyback on an open Maine procurement.
Aggregation/Retail			
Community Empowerment	Lines 239-244, 799-805. Creates program to secure, leverage, or otherwise guarantee long-term purchases of energy and renewable energy certificates from offshore wind developers for direct sale, or resale by the center, to a municipality or group of municipalities with an approved municipal load aggregation plan	Not addressed	Adopt the House language with some minor changes being proposed by the coalition. Enable communities at their choosing to contract with renewable energy projects. It will provide a pathway in addition to the existing suite of state clean energy procurement opportunities that support the financing of new renewable resources. It does not require cities and towns to do anything. Each municipality can decide whether to utilize community empowerment through own governance process.