

83C Questions and Answers

- (21) If an Expandable Transmission proposal is selected, what does the winning bidder receive from the Distribution Companies as a consequence of this selection, aside from the PPA for the generation component of the proposal? What specifically are the obligations of the selected bidder, aside from those specified in the PPA and as might be necessary to interconnect their own generation facility by way of all or part of an expandable transmission plan?

Answer: As a consequence of its selection in the RFP (and subsequent negotiations with the Distribution Companies), the winning bidder (or co-bidder) for an expandable transmission proposal would become a party to a tariff and/or contract(s) that, subject to regulatory approvals, would entitle the transmission provider compensation to be paid by the Distribution Companies and/or directly or indirectly by other users of the expandable facility providing energy to the Distribution Companies, subject to the terms of such tariff and/or contracts(s), as proposed in this RFP, as may be subsequently modified in executed agreements with the Distribution Companies. The selected bidder's specific obligations must conform with RFP requirements and include operating the facility in conformity with good utility practice and the applicable requirements of ISO-NE, NERC and other pertinent entities. The selected bidder is also obligated to make service over the facility available on a non-discriminatory basis pursuant to a FERC-filed OATT, Rate Schedule or Tariff, "including an open access obligation and a duty to expand facilities if necessary to accommodate new interconnection requests" as stated in RFP 2.2.1.3.2 (6). See also the response to Question 47.

- (22) ISO-NE rules and policy discourage if not prohibit interconnecting more than 1200MW through any one interconnection facility. Given this, please confirm that an Expandable Transmission proposal should be comprised of multiple, distinct interconnection facilities, and that the 1600MW total required capacity can be allocated between these facilities in unequal amounts (e.g. a 1000MW facility and a 600MW facility, or two 400MW and an 800MW facilities). Please provide any further information as to preferences or requirements for the Expandable Transmission, given this 1200MW limitation.

Answer: Any Expandable Transmission proposal submitted by bidders must be consistent with all ISO-NE requirements, including contingency limitation requirements. Additionally, an Expandable Transmission project involving multiple, distinct interconnection facilities and/or multiple distinct interconnection points on the PTF system designed to achieve the overall 1600 MW availability for future Offshore Wind Generation projects must be consistent with the objectives of Section 2.2.1.3.2. The past interconnection of the over 1600 MW Brayton Point Generating Station to the Brayton Point Substation to a single location provides an example of more than 1200 MW being interconnected to a single substation while observing ISO-NE requirements.

- (30) Reference is made to Section 2.2.1.8, which states in part that “Substitution of non Offshore Wind Energy Generation is not allowed for delivery or firming of delivery.” Can you please clarify or reconcile this limitation with the allowance that projects utilize storage, and in particular with Section 2.3.1.2 (v) which suggests that the evaluation will favor projects that have improved economics as a result of “any associated energy storage systems including the economic value increased resource firmness, reduced intermittency, and improved delivery during peak periods.”

Answer: Bidders are allowed to include energy storage in their proposals; however, all energy procured under this solicitation must satisfy the definition of Offshore Wind Energy Generation. Additionally, 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, as stated in Section 2.2.2.9. If a bidder decides to submit a bid that includes a storage system, then it is incumbent on the bidder to show how the storage system integrates into the proposal and must thoroughly describe the proposed benefits of pairing an energy storage system with a bidder’s Offshore Wind Energy Generation proposal.

- (46) Similar to the question above, in Appendix B 17 (Page B-26) the RFP states that transmission bids must contain a proposed tariff, rate schedule or transmission service agreement (“Transmission Agreement”) that the Bidder proposes as the vehicle for recovery of its transmission costs from the Distribution Companies and/or interconnecting generation suppliers. Is it intended that the transmission bid be different from the energy bid? If so, how will this work with the all-in PPA proposal?

Answer: The Evaluation Team will treat the generation and transmission components of each bid as parts of a single bid. The all-in PPA bid category described in Section 2.2.1.3.1(1) is the only category of bid that will not require submission of a separate transmission service agreement, OATT, or other transmission rate schedule. By contrast, all bids conforming to the descriptions in Sections 2.2.1.3.1 (2) and 2.2.1.3.2 must present a separate transmission service agreement, OATT, or other transmission rate schedule providing for separate recovery of transmission costs in accordance with those sections of the RFP. For all-in PPA bids under Section 2.2.1.3.1 (1), all bidder costs, including those associated with the proposed project-specific generator lead line, must be recovered through a fixed \$/MWh and/or \$/REC basis, as applicable.; provided, that these bids (as with other types of bids) must provide the interconnection studies and associated cost estimates required under Section 2.2.1.8 of the RFP and Sections 6.5 *et seq.* of Appendix B thereto.

- (48) In section 2.2.1.4 i(e) it is mentioned that under the terms of the PPA, in the event that the Locational Marginal Pricing (“LMP”) for the Clean Energy at the 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. This requirement may be counter-

productive as a negative LMP at delivery point (generator bus) indicates that the generator needs to pay the ISO as opposed to being paid for their energy delivery at that particular hour. The 2.2.1.4 requirement imposes a further penalty on the generator to pay to the buyer. Please clarify this requirement.

Answer: Section 2.2.1.4 outlines the requirements bidders need to address in their proposals in order for their proposals to be eligible for the evaluation. The PPAs do not require the seller to deliver power to the buyer at times of negative LMP, per Section 4.2(a) of the Draft PPA. If the Seller delivers power into the Buyer's ISO-NE settlement account during negative price hours, then the Buyer will see the debit on their ISO-NE account. Therefore, the Seller must credit Buyer the amount paid to the ISO-NE by Buyer for those negative price hours.

- (49) Section 2.2.1.8 (Page 21) indicates that substitution of non-Offshore Wind Energy Generation is not allowed for delivery or firming of delivery. Is this true for proposals combined with Energy Storage? This seems contradictory. Please explain or clarify.

Answer: See Answer # 30.

- (52) Regarding 2.4, please describe any analysis that will be undertaken by the Evaluation Team on a non-discretionary basis as part of the Stage Three evaluation.

Answer: The objective of the Stage 3 evaluation is to select the proposal(s) that provide the greatest impact and value consistent with the stated objectives and requirements of Section 83C, as set forth in the RFP. The Stage 3 Evaluation will be performed based on Stage 2 and Stage 3 evaluation criteria, as described in the RFP, with the overall goal of selecting a proposal or proposals with low cost and limited risk.

- (54) Are the Distribution companies willing to enter into a Transmission Service Agreement with the project developer so as to enable a Generator Lead Line bid in which the transmission costs are paid through a TSA for specific amount of transmission capacity, as opposed to being included in a price per MWh that includes both generation and transmission costs? We note that in order for this to work commercially, the Distribution companies would need to both contract with the developer for the provision of the transmission capacity on a fixed price basis (e.g. \$/KW-month), as well as make that same capacity available to the same developer for use in exporting the developer's generation to the grid.

Answer: See RFP Section 2.2.1.3.1. Please note, however, that any transmission proposals must satisfy the requirements set forth in RFP Section 2.2.2.6.