

### 83C Questions and Answers

- (2) Section 1.7.4.1 – Can the Evaluation Team provide guidance on the scope and amount of information that could be requested from ISO-NE, and the expected magnitude of any associated costs? For example, would the Evaluation Team anticipate requesting that ISO-NE perform substantive analyses over and above those required by Schedule 22 to the ISO-NE tariff?

**Answer:** The scope of the Evaluation Team’s requests to ISO-NE will depend to a large extent on the level of information supplied by the Bidder. The Evaluation Team does not expect to ask ISO-NE to perform extensive analyses. The Evaluation Team is likely to consult with ISO-NE seeking information such as, but not limited to, the status of the interconnection application, the status and conclusions of their interconnection studies, the interaction of a bid with other projects in the interconnection queue, the schedule proposed by the bidder, and changes being pursued or considered by ISO-NE that might affect the evaluation process. Section 1.7.4.1 outlines how the Evaluation Team will communicate with ISO-NE. The bidder may wish to ask ISO-NE about costs, if any, imposed by ISO-NE associated with providing information to the Evaluation Team.

- (3) Appendix B.4.2 – In what form does the Evaluation Team want this data for the requested energy delivery plan and profile? Is it acceptable to provide this information in the form of an hourly MWh profile for an average year, or is a different format required or preferred?

**Answer:** The format and requirements for the energy profile are included in Part V of the CPPD form. Use of an average year expectation for the hourly profile constitutes the P50 requirement expressed on the CPPD form and as such is acceptable. As noted in section 3.7 of the RFP, following the submission of proposals, the Evaluation Team or the Independent Evaluator may request clarification and additional information from bidders at any time during the evaluation process.

- (5) Appendix B.15 – Please specify whether the requirements in this section apply to both the offshore and onshore parts of a proposed Transmission Project, and whether this information must also be provided in cases where a proposed project would utilize a generator lead line to connect to the regional transmission grid.

**Answer:** The requirements in Appendix B.15 apply to both the offshore and onshore parts of a proposed Transmission Project. As noted in Appendix B.15, less information may be required from a proposed project that would use a generator lead line to connect to the regional transmission grid if the bidder is proposing fixed-rate pricing rather than cost-of-service or modified cost-of-service pricing.

The following excerpt from Appendix B.15.1.vi is one example where the requirements differ if the bidder is proposing fixed-rate pricing rather than cost-of-service or modified cost-of-service pricing.

If the bidder is proposing fixed-rate pricing rather than cost-of-service or modified cost-of-service pricing, provide sufficient information and assessment to show that the proposed project, including any necessary transmission network upgrades, is financially viable. In this regard, provide capital cost estimates and operation and maintenance cost estimates and the basis for your estimates, including the extent to which estimates are based on vendor contracts or vendor quotes, your experience in the development, construction and/or operation of similar projects, your approach regarding contingency and risk management, and your proposed financing plan. All costs should be provided in nominal dollars, although inflation and cost escalation estimates should be provided. Please describe in detail the due diligence you have conducted in developing your pricing and tariff proposal.

Bidders are urged to carefully review the full RFP and Appendix B.15 to ensure that each of their bids complies with the information requirements.

- (7) Section 3.1(a)(iii) – For balance sheet financed projects, can you please provide examples of the types of evidence that would be required for Seller to demonstrate that the “closing of Financing” has occurred or that it otherwise has the “financial capability to construct the Facility.”

**Answer:** In accordance with Section 3.1(a)(iii) of the Draft PPA, the Seller should provide details, supporting documentation, and sworn statements from appropriate officers and others demonstrating that the funding for construction and operation of the Facility has been approved and committed, and that the funding entities have the required financial resources.

- (10) Section 9.3(b)(ii) – For projects financed on the developer’s balance sheet, please explain when the “Financial Closing Date” will be determined to have occurred? Will it be enough that funds have been drawn down following the Critical Milestone at 3.1(a)(iii) under any joint venture or LLP arrangements?

**Answer:** Please refer to Answer # 7.

- (11) Please confirm that there are no limits to the number of proposals that a bidder can offer? Are there any limits to the number of price variants a bidder can offer for the same physical facility proposal? Are there any limits to the number of variants to any factor that a bidder can offer for the same physical facility proposal?

**Answer:** There are no limits to the number of proposals or price variants that a bidder can submit; all bids are subject to payment of the required bid fee(s), as applicable. Bidders are responsible for ensuring all their submissions meet the requirements set out in the RFP.

- (20) Section 83C defines what project locations are eligible to participate in procurement solicitations needed to procure 1600MW total of offshore wind capacity. Will preference be given to expandable transmission designs that provide more utility to eligible project areas, as defined by Section 83C, versus providing utility to ineligible project areas?

**Answer:** Yes, the evaluation team will evaluate the design of the expandable transmission proposal in accordance with Section 2.2.1.3.2 of the RFP.

- (23) Could you please explain how you will be evaluating the Expandable Transmission bids in comparison to the Generator Lead bids? For example, what are the factors that would cause you to select a 400MW project with expandable transmission that is more expensive than the exact same 400MW project with the generator lead connection only? What will be the process to evaluate all proposals, given the inherent differences between the two required classes of proposals (generator lead and expandable transmission)? For example, will the best Generator Lead proposal be evaluated against the best Expandable Transmission proposal? Or will the best Expandable Transmission proposal be selected regardless of the quality of the Generation component of the proposal? What criteria will be used to evaluate and select among Expandable Transmission proposals? In particular, how will you be evaluating certainty of execution between generator lead and expandable transmission bids? It would seem that all expandable transmission proposals will by their nature have higher uncertainty relative to a generator lead project of similar stage of development, given that expandable transmission will require a FERC approval, will need to secure additional customers at some time in the future in order to obtain financing, etc.

**Answer:** As stated in Section 2.3.1.1. iv, the evaluation will include “The costs, benefits, and risks of a proposed Expandable Transmission Project, including a calculation of the avoidance of future net costs to connect future Offshore Wind Energy Generation Projects to onshore delivery points, taking into consideration the network costs and risks of delay or failure of future Offshore Wind Energy Generation Projects, including possible stranded costs to be borne by ratepayers.”

Bidders must submit bids that include both a Generator Lead configuration and an Expandable Transmission configuration. The Evaluation Team will consider these bids as separate bids. The Evaluation Team along with an Evaluation Team Consultant will use an appropriate methodology to evaluate the bids, and this methodology will not be made available to bidders. The Evaluation Team will select the bid(s) that best achieves the objectives set forth in the RFP.

- (25) Section 2.2.1.3.2 (2) indicates that bidders have the option to submit additional bids for expandable transmission, but that such bids would not relieve the requirement to submit a 1600MW expandable transmission bid. How would such an optional and additional expandable transmission bid be treated with regard to required bid fees?

**Answer:** Such an additional expandable transmission bid would require the payment of an additional bid fee of \$50,000 in accordance with Section 1.10 of the RFP.

- (26) In multiple places in the RFP, an “offshore switching station” is used as an example of Expandable Transmission. Please confirm that there is no preference for “offshore switching stations” as an Expandable Transmission solution, and that the evaluation will not be biased to offshore switching station solutions?

**Answer:** The phrase “Such as an offshore switching station” is used in Section 2.2.1.3.2 (1) and Section 2.2.1.3.2 (3) of the RFP only as an illustrative example of a potential Expandable Transmission facility. The Evaluation Team encourages bidders to submit proposals that meet the requirements outlined in the RFP. The evaluation will fairly consider the costs, benefits, and risks of all eligible proposals.

- (27) The proposed offshore transmission facilities must accommodate “all existing and currently planned Offshore Wind Energy Generation....” Should “currently planned” be understood to mean any offshore wind generation that might be built in a BOEM designated Wind Energy Area or Lease Area, even if the area is not yet leased to a generation developer?

**Answer:** Yes, provided that the project is in a location consistent with the definition of “Offshore Wind Developer” and “Offshore Wind Energy Generation” in the RFP.

- (31) Is the NEPOOL GIS system an appropriate tracking system that would meet the requirements of Section 2.2.2.9 of the RFP?

**Answer:** The NEPOOL GIS system is an appropriate tracking system. Please refer to Page B and Section 2.2.1.8 for further reference.

- (34) Reference is made to Section 2.3.1.1 (iv). How will the costs, benefits, and risks for a proposed Expandable Transmission project be monetized or quantified for the purpose of the quantitative evaluation?

**Answer:** The Evaluation Team along with the Evaluation Team Consultant will use an appropriate methodology to evaluate the costs, benefits, and risks of bids. This evaluation methodology will not be made available to bidders. Bidders should take note that it is their responsibility to provide adequate information regarding their bids to facilitate the evaluation of costs, benefits, and risks of their proposals.

- (37) The RFP indicates that the storage component of a bid may be owned by the utility. Also, the RFP indicates that the expandable transmission component of proposals may be designed and constructed “...in partnership with a third-party developer...”, and both Distribution Companies have affiliates which are involved in transmission development. Given that the utilities are the requestors and evaluators of the bids, and at the same time may themselves be, or have related entities who could be, part of proposal teams, can you please provide some guidance as to how we can establish contact with the utilities to discuss these sort of opportunities, and perhaps as a result of those discussions enter into agreements with the utilities, while maintaining appropriate arms-length discussions with the utilities, and ensuring competition and compliance with the standards of conduct?

**Answer:** The electric distribution companies (EDCs) seek to avoid any actual or apparent conflict of interest with their affiliates by observing their respective standards of conduct (See Appendix G). The RFP provisions regarding communication between bidders and the Evaluation Team are in Section 1.6 of the RFP. Bidders may establish contact with the utilities to discuss opportunities, but shall not contact or communicate with the EDC Evaluation Team members and/or subject matter experts (“SMEs”), listed on the 83C RFP website at <https://macleanenergy.files.wordpress.com/2016/12/edc-evaluation-team-members6.pdf>.

- (40) Regarding Clause 10.1 – Force Majeure of the PPA: Subject to the developer having timely filed for permits and grid connection, how will timeline changes related to grid connection, permits, or litigation, and that are out of the project developer’s control, be addressed?

**Answer:** The PPA (Section 10.1) states that “delay or inability to perform attributable to...a Party’s failure to timely obtain and maintain all necessary Permits (excepting the Regulatory Approval) or qualifications, any delay or failure in satisfying the Critical Milestone obligations specified in Section 3.1(a)(i) (Permits)...shall not constitute a Force Majeure or be the basis for a claim of Force Majeure.” Regarding interconnection, the PPA states (Section 3.1(d)) : To the extent a Force Majeure event pursuant to Section 10.1 has occurred that prevents the Seller from achieving the Critical Milestone date for acquisition of real property rights and interconnection (Section 3.1(a)(ii)) or the Commercial Operation Date (Section 3.1(a)(iv)) by the applicable Milestone date, the Critical Milestone Date(s) impacted by such Force Majeure event shall be extended for the duration of the Force Majeure event, but under no circumstances shall extensions of those Critical Milestone dates due to Force Majeure events exceed twelve (12) months beyond the applicable Milestone date, and further provided, that the Seller shall not have the right to declare a Force Majeure event related to the Permits Critical Milestone (Section 3.1(a)(i)) or the Financing Critical Milestone (Section 3.1(a)(iii)). Litigation does not constitute a Force Majeure event. Also, note, Section 3.1(c) allows Seller to extend the dates for any Critical Milestone not yet achieved by up to four six-month periods by posting additional Development Period Security.

- (43) The RFP states that the “credibility of the plan to obtain permits” is an important qualitative consideration, “including the extent to which opposition to the project materially affects” timely permit approval (p. 35). If there is no current opposition to the proposed project, is there any need to discuss potential opposition in the response?

**Answer:** The bid should describe what permits and approvals have been obtained and if such approval is final or is subject to appeal or reconsideration, and what other permits and approvals are required. Regarding the latter, the bidder should describe the status of the permit and approval request, the opportunity for opposition to such requests that may materially affect the ability of the project to obtain timely final approval, and whether there has been evidence of such opposition.

- (47) Also, in contrast to the 2.2.1.3.1, Section 2.2.1.3.2 (6), says that each proposal must also include a non-discriminatory access to delivery facilities as part of the expandable transmission network. But this expandable Transmission Proposal must propose an OATT, Rate Schedule or Tariff. Please provide clarification for the submission of payment for transmission facilities under each of the Gen Lead and Expandable Transmission Proposals.

**Answer:** Bids conforming to Section 2.2.1.3.2 should provide the proposed compensation to be charged for these non-discriminatory open-access delivery facilities that will be paid in the first instance by the Distribution Companies and their customers and the terms and conditions under which such compensation would be paid. Bids for expandable transmission should specifically address the terms and conditions under which payments by the Distribution Companies would change (or not change) in connection with the addition of subsequent offshore wind generators being provided transmission service. , Bids conforming to Section 2.2.1.3.1(2) should provide the proposed compensation to be charged for these delivery facilities that will be paid in the first instance by the Distribution Companies and their customers and the terms and conditions under which such compensation would be paid. In either case, the transmission service agreement, OATT, or other rate schedule proposed by the bidder should embody the approach proposed in the bid.