83C II Question and Answers

1) Can a storage entity make a stand alone, unpaired bid? In other words, can an entity that is not an offshore wind developer or holder of an off shore lease make a bid to provide storage to whomever is the winner of the RFP? Would that example still be a paired bid?

   Answer: No. As stated in Section 2.2.1.3 of the RFP, proposals may pair Offshore Wind Energy Generation with Energy Storage. However, stand-alone, unpaired storage bids do not meet the eligibility requirements of Section 2.2.1.1 of the RFP, which defines an Eligible Bidder as "the developer of Offshore Wind Energy Generation or is in possession of the development rights to Offshore Wind Energy Generation."

2) Could you please clarify whether or not the price cap includes the cost of paired storage? For example, if there is a bid for offshore wind generation at $60/MWH and it is paired with storage at $40/MWH is this bid considered under the price cap requirement even though the total bid would be $100/MWH?

   Answer: On August 1, 2019, Section 83C was amended to temporarily remove the price cap requirement under Section 83C(b). The RFP under this solicitation has been updated to remove any requirements for a price cap.

3) Assuming that a wind generator or a storage provider would not make a paired bid because the price cap requirement does not allow for the price of storage to be included in the response to the RFP, what would be the process to then make a paired bid if the price cap is legislatively removed?

   Answer: On August 1, 2019, Section 83C was amended to temporarily remove the price cap requirement under Section 83C(b). The RFP under this solicitation has been updated to remove any requirements for a price cap.

4) How does the bid fee system work for a paired storage bid? Is the fee a new $500,000 or is it an incremental $50,000? For example, if an offshore wind developer makes a first bid paying $500,000 and then makes a second bid, that changes nothing from the first bid except adding paired storage to the first bid, what is the cost of the second bid?

   Answer: **A Project, as defined in RFP Section 1.10 footnote 13, that proposes the required 2 bids in Section 2.2.1.3.1 and 2.2.1.3.2 will be counted as one Project for the purposes of the bid fee calculation. Any proposal can bid Offshore Wind Energy Generation with or without Energy Storage.**

   If an offshore wind developer makes a first bid paying $500,000 and then makes a second bid that changes nothing from the first bid except adding paired storage to the first bid, the cost will be an additional $50,000. Note, however, that each bidder must submit both required bids in Section 2.2.1.3.1 and 2.2.1.3.2. Therefore, if an offshore wind developer makes a first bid and then makes a second bid that changes nothing from the first bid except adding paired storage, the bidder must submit that second bid conforming to Section 2.2.1.3.1 and Section 2.2.1.3.2.

5) Can an offshore wind generator make a bid to sell peak (high demand hours) MWH's only under the RFP and then sell the off peak (low demand hours) MWH's to a third party outside of the RFP?

Answer: Yes, so long as the bid clearly defines the peak and off-peak hours to be applied for the entire term of the contract, and the bid is structured to provide the EDCs with all RECs associated with the MWs of nameplate capacity bid into the RFP. This does not exclude bids comprising some portion of a larger offshore wind generation project, as long as the RECs offered correspond to the MWs dedicated to the bid submitted into the RFP. For example, if a bidder planned to construct an 800 MW OSW project and decided to bid 400 MWs of this project into the RFP such that it would supply energy produced by this 400 MWs to the Distribution Companies only during peak periods, the bidder would still be obligated to supply RECs to the Distribution Companies corresponding to all energy produced by this 400 MWs in all hours (not just peak hours). That is, while a bidder may offer to supply only part, or even none, of the energy from the MWs of nameplate capacity bid into the RFP, it must supply all of the RECs associated with those MWs.

Note also that, as stated in Section 2.2.1.2 – Eligible Proposal Size, each bidder "is required to submit at least one proposal of 400 MW" and "may also submit alternative proposals with a nameplate capacity of no less than 200 MW and not greater than 800 MW."

[Note re Answer to Q. 5: there is no change from the answer previously posted on the RFP website on July 11, 2019.]

6) In many situations Power Purchase Agreements have an off peak and peak price. Is it possible for a wind generator to make a bid where the off peak price is different than the on peak price?

Answer: **No. A round-the-clock energy price is required in all hours. See page 9 of the presentation from the Bidders Conference and Part VI of the Certification, Project and Pricing Data (CPPD) form.**

7) Can you clarify how the RFP evaluates the following "non-price" factors related to pairing offshore wind with storage: 1) improved system reliability (winter reliability by reducing the need for fossil based peaking power plants), 2) reducing overall regional energy costs, and 3) reductions in CO2 emissions and water resources usage by moving off peak (low demand hours) MWH's to on peak (high demand hours) MWH's all via energy storage?

Answer: It is important for the bidder who proposes an energy storage solution to provide generation profiles both with and without the Energy Storage System and carefully describe how the bidder's proposed operational management of the storage system benefits the electric power system. Proposals with Energy Storage Systems will be evaluated on their direct and indirect economic and environmental costs and benefits to ratepayers as detailed in the Section 2.3.1, including the reduction in overall regional energy costs and reductions in CO_2 emissions.

The benefits of an energy storage system paired with offshore wind generation will also be evaluated as a portion of the qualitative evaluation in Section 2.3.2 of the RFP. Reliability

enhancements may accrue in connection with a proposed delivery profile which demonstrates firm or firmed energy provided during winter or other peak times. The Evaluation Team may also consider any additional benefit, cost, or risk identified by the Evaluation Team that is determined to be reasonably likely to occur but is not reasonably quantifiable. The bidder should describe any additional benefits the Energy Storage System may provide not captured in the benefits provided through the proposed operational commitments.

8) Can you please clarify whether or not Appendix H (the Certification Regarding Price Cap) would apply to a bid for paired storage? And, if so, can you provide an example of how Appendix H would apply to a paired storage bid? Also, would Appendix H be applicable to paired storage bids paired with wind project bids that are larger than 400 MWs?

   Answer: On August 1, 2019, Section 83C was amended to temporarily remove the price cap requirement under Section 83C(b). The RFP under this solicitation has been updated to remove any requirements for a price cap. Appendix H has been deleted.

9) Section 2.2.1.2 of the RFP references bids being negatively contingent on other submitted proposals. Given that Connecticut recently released an RFP notice with a proposal submittal date similar to the MA 83C RFP, is it possible to submit a bid which is contingent on an award from another nearby state? If so, how will bid fees be calculated? If not, please describe how procurement coordination between states will be performed and if any coordination is currently planned.

   Answer: No bid may be contingent on any contract award arising outside the 83C II process. All bids submitted must be unconditionally held open at least until the date given in RFP section 1.7.3. Per RFP section 1.1, footnote 9, the Commonwealth of Massachusetts in consultation with the Distribution Companies will consider the participation of other states if such participation has a positive or neutral impact on Massachusetts ratepayers.

10) Is it acceptable for Appendix C to be submitted only electronically as part of the submittal CDs or is a hard-copy printout required?

    Answer: Electronic submittal of the signed Appendix C is sufficient.

11) Regarding the required base bid of 400 MWs footnote 14 of page twelve of the RFP states, "Bidders may propose minor variations in proposed bid/contract sizes based on expected turbine size and potential changes to expected turbine size." Please provide more specificity regarding the minor variations bidders are allowed to use in modifying the 400 MW size. Would plus or minus 10 percent be acceptable?

    Answer: Note 14 in Section 2.2.1.2 of the RFP states, "Bidders may propose minor variations in proposed bid/contract sizes based on expected turbine size and potential changes to expected turbine size." Projects would be expected to come as close to the 400 MW requirement as possible; however, by way of an example, a minor variation could refer to a bid that proposes a 402 MW project based on an expected turbine size of 6 MW. This proposed bid size of 402 MW would be an acceptable minor variation. The Evaluation Team reserves the right to determine the reasonableness of a minor variation. The Evaluation Team expects that such

minor variations will be no larger than that necessitated by turbine size increments, as in the foregoing example.

12) Is it correct that the Phase II 83C RFP allows for interconnection study and the identification of any needed upgrades in a manner that is *equivalent* to the capacity interconnection service offered by ISO-NE for resources that clear the FCM?

Answer: RFP Section 2.2.1.7(a) states that "Each proposal must include a commitment to interconnect to the ISO-NE PTF at a Capacity Capability Interconnection Standard ("CCIS") equivalent level." The Evaluation Team ultimately determines a bidder's ability to interconnect at a CCIS equivalent level by the interconnection analysis performed by ISO-NE as part of the Forward Capacity Auction Qualification ("FCAQ"), and therefore RFP Section 2.2.1.7(a) requires that each proposal "…must include a commitment to complete the Forward Capacity Auction Qualification ("FCAQ") process set forth in Section III.13.1 of Market Rule 1 of ISO-NE's Transmission Markets and Services Tariff…" However, bidders are not required to have completed the qualification process at the time of bid submittal and are instead able to prove their ability to interconnect at a level equivalent to the CCIS by providing "relevant studies and analyses performed by them or their consultants that approximate the ISO-NE interconnection process. In order for the Evaluation Team to fairly evaluate each proposal, these studies and their supporting documentation, assumptions, and data must closely match ISO-NE study requirements for CCIS-level interconnection. The Evaluation Team expects bidders to provide studies that are consistent with ISO-NE's approach and that approximate what the ISO-NE results would be." RFP Section 2.2.1.7(b). The ultimate study process described in this answer and required by the RFP is equivalent to the study process used by ISO-NE as a requirement for ISO-NE's capacity interconnection service (specifically Capacity Network Resource Interconnection Service (CNRIS)) (See ISO-NE Schedules 22, 23, and 25 that define the CCIS as "the criteria required to permit the Interconnection Customer to interconnect a Generating Facility seeking Capacity Network Resource Interconnection Service…"). However, bidders are not required to receive CNRIS from ISO-NE or any other form of capacity interconnection service from ISO-NE.

13) Further, given the acceptable use of a capacity interconnection study equivalent, is it correct that any Forward Capacity Market *process* provisions referenced in the Phase II 83C RFP that could be read to require bidder participation in the Forward Capacity Market (because engaging those steps require a CCIS interconnection request rather than an equivalent), should be understood to in fact not require such participation, consistent with the *Hughes* ruling?

Answer: The Phase II 83C RFP does not require bidders to submit a supply offer in any Forward Capacity Auction, clear in any Forward Capacity Auction, nor receive a Capacity Supply Obligation in the Forward Capacity Market. Bidders must submit an interconnection request for Capacity Network Resource service with ISO-NE, as described in Section 2.2.1.8 of the RFP. Furthermore, Section 2.2.1.7(b) states that the "Final determination of the network upgrades and other interconnection features required to support a bidder's CCIS-equivalent interconnection will be determined by the ISO-NE under the FCAQ process." Therefore, while bidders are not required to participate or offer capacity in a Forward Capacity Auction, they must commit to participate in the Forward Capacity Market Qualification process. Market

Rule 1 Section III.13.1.1.2.8 states that ISO will notify project sponsors "No later than 127 days before the Forward Capacity Auction" of the results of their interconnection analysis. Bidders may withdraw from the qualification process after receiving the results of their interconnection analysis per Market Rule 1 Section III.13.1.1.2, which states that "A Project Sponsor may withdraw from the qualification process at any time prior to three Business Days before the submission of the FCM Deposit".

14) Is this section correctly read to mean that if a bidder submits two proposals that differ in delivery location, that the second bid with alternate delivery location requires a $50,000 bid fee?

Answer: Correct. An alternative point of on-shore interconnection is considered a change to the physical aspect of the project and requires a $50,000 bid fee. Note, however, that every bidder must submit both required bids in Section 2.2.1.3.1 and 2.2.1.3.2. Therefore, if an offshore wind developer makes a second bid with an alternative delivery location, the bidder must submit that second bid conforming to Section 2.2.1.3.1 and Section 2.2.1.3.2.

15) Section 1.7.3 states that proposal shall be valid until December 31, 2019. What obligations, if any, including financial obligations other than the bid fee does the bidder have prior to executing a PPA?

Answer: In accordance with Section 1.7.3 and the Appendix C Certification each bidder is required to submit, the bidder is obligated to keep the proposal(s) open and valid until December 31, 2019. The bidder is also responsible for complying with other requirements of the RFP applicable to the period prior to executing a PPA, including those pertaining to confidentiality (Section 1.7.5), bidder certification (Section 1.8 and Appendix C), preparation of proposals (Section 3.3), updates to proposals (Section 3.5) and contract negotiations (Section 2.6).

16) Section 2.2.1.3.1 states that "Bidders may propose more than one point of on-shore interconnection. A second delivery point will be considered a separate bid for evaluation purposes". Will Bidder have the option to determine which delivery point will ultimately be used or must the delivery point be the specific one associated with the winning bid?

Answer: An alternative point of on-shore interconnection (POI) is considered a change to the physical aspect of the project, and therefore per Section 1.10 of the RFP, an additional bid fee of $50,000 is required to evaluate the alterative POI. The evaluation of the alternative POI bid would occur over the three stages outlined in the RFP and this alternative POI bid would be ranked accordingly versus all other proposals evaluated in this solicitation. Therefore, the bidder would be expected to pursue the POI associated with the winning bid.

17) Section 8.2 requires "If the bidder has not yet selected the major equipment for a project, please provide a list of the key equipment suppliers under consideration". How much flexibility does the bidder have to modify their project post award such as project layout, major equipment, foundation type, interconnection point, etc.?

Answer: **A bidder has the flexibility to modify the project after award, provided they can meet all the requirements of the PPA to deliver the offshore wind energy as proposed in their bid, and that any new configuration of the project does not change the characteristics the Evaluation Team relied upon to evaluate the bid. In addition, see response to question #16.**