

Question 4:

Other East Coast states publish the scoring value assigned to economic benefits as a means of attracting investment by the offshore wind industry. Offshore wind developers that might participate in the current solicitation have noted that publishing the scoring value of economic benefits would lead to greater industry investment in Massachusetts (see e.g. comment letters from Bay State Wind and Equinor), a point made repeatedly by public officials and business leaders in Southeastern Massachusetts. It now appears that the investment commitments in the completed solicitations in other states have exceeded those in Massachusetts. So the question simply is, what percentage of the overall score is assigned specifically to “Economic Benefits to the Commonwealth?”

Response 4:

The Evaluation Team shares the ambition for attracting investment and greater Offshore Wind industry development in Massachusetts, and has recently taken steps to increase the importance of economic benefits in its evaluation. The level of detailed requirements in the RFP for economic benefits has been substantially expanded. See RFP Sections 2.2.2.8, 2.3.2, and 2.4; Appendix A, Section 13. In addition, the maximum potential score for qualitative evaluation factors has increased from 25 to 30 out of 100 potential maximum points, and, as the RFP explains: “[t]he increase from 25 to 30 points for qualitative factors was adopted in this solicitation to increase the evaluation’s emphasis on RFP Sections 2.3.2.i [Economic Benefits to the Commonwealth and Diversity, Equity and Inclusion], 2.3.2.ii [Low Income Ratepayers in the Commonwealth], and 2.3.2.vii [Environmental and Socioeconomic Impacts from Siting].” RFP Section 2.3. Thus, the Evaluation Team has taken the advice public commenters to increase the importance of economic benefits in the procurement.

At the same time, the Evaluation Team believes that the best way to secure the optimal level of economic benefits and other advantages for the benefit of customers and the Commonwealth is to adhere to the established evaluation process approved by the Department of Public Utilities (“DPU”). The DPU has determined that the RFP in its current form “provides the appropriate amount of transparency as to the priorities of the Commonwealth for bidders to provide the best product offering. Accordingly, consistent with precedent, the Department will not require the Petitioners to publish the quantitative and qualitative evaluation criteria with the issuance of the RFP.” Joint Petition of Fitchburg Gas and Electric Light Company etc., D.P.U. 21-40 (May 5, 2021), p. 62. The DPU made this decision based on the Distribution Companies’ explanation that “giving bidders advanced access to the evaluation “answer key” will not produce a robust and competitive solicitation . . . disclosing numerical weighting of the evaluation criteria and the evaluation protocol details would enable bidders to game their bids to earn artificially high scores, and cause bidders to tailor their bids in inappropriate ways.” Id. at pp. 59-60.

Note that this sequestration of certain details of the evaluation process by no means relieves the Evaluation Team of accountability. On the contrary, the DPU has stated that:

[T]he Companies will need to provide full and complete documentation of how the Evaluation Team calculated the quantitative and qualitative scores for each proposal. The Companies shall include a narrative that explains how the Evaluation Team scored each factor that comprises the qualitative score for each bid. Finally, during the contract review proceeding, the Department expects the Petitioners will provide an updated qualitative evaluation protocol that explains

each category within the qualitative score, the gradation of points in each category, and the description of how a project could earn a superior, preferable, or minimum standard score.

Id. at p. 63. Thus, the DPU will have full visibility over all details of the evaluation, including the evaluation of economic benefits, thus ensuring that it is conducted properly.

The Evaluation Team understands the interest in the evaluation protocol details. However, we believe that all parties — are better served if the Evaluation Team keeps the integrity of the process intact by following the well-established, DPU-approved approach.

Question 5:

In legislation titled An Act Creating a Next Generation Roadmap for Massachusetts Climate Policy, which Governor Baker signed into law less than two months ago, the state legislature mandated that the Executive Secretary of Housing and Economic Development play a formal role in the evaluation of economic benefits. The legislature included this provision in an apparent recognition that an agency responsible for cultivating economic development may be better suited to evaluate the relative value of proposed investments than an evaluation team comprised only of officials from the state’s utilities. Several questions emerge from this mandate:

- a. Is the Secretary expected to generate a numeric score for each proposal?
- b. Is the Secretary’s evaluation of economic benefits binding on the evaluation team, or is it merely advisory?
- c. At what point in the process will the Secretary’s evaluations be made available for public disclosure?

Response 5:

Section 83C, as amended by the 2021 legislation, provides that “[p]roposals received pursuant to a solicitation under this section shall be subject to review by the department of energy resources and the executive office of housing and economic development.” Section 83C(b). In the 83C Round 2 solicitation (i.e., the most recent completed Offshore Wind solicitation), the Evaluation Team requested bids that included significant economic benefit components, and received bids with a range of responsive economic benefits packages. The Evaluation Team relied heavily on the input and guidance of the Office of Housing and Economic Development in evaluating these economic benefits packages:

To ensure all potential economic benefits were considered [] the Evaluation Team also consulted with the Massachusetts Executive Office of Housing and Economic Development to analyze whether the higher costs of Mayflower Wind’s 804 MW Infrastructure and Innovation or Massachusetts Manufacturing proposals might be justified based on the increased investments by Mayflower Wind and potential resulting job growth. The analysis indicated that the investments in research, port development and manufacturing offered in those proposals were not cost effective because the net present value of the investments did not justify the higher contract costs as compared to the Low Cost Energy proposal. Moreover, the net increased PPA cost per job estimated to result from the Massachusetts Manufacturing proposal significantly exceeded the typical cost per job for incentives awarded under the Massachusetts Economic Development Incentive Program. Based on this analysis, the Evaluation Team determined that

the increased costs under Mayflower Wind’s Infrastructure and Innovation or Massachusetts Manufacturing proposals were not justified.

Joint Testimony of Waltman, Brennan, and Glover, D.P.U. 20-16 et seq., Feb. 10, 2020, pp. 32-33. The Distribution Companies’ testimony supporting the ultimate selection in Round 2 also detailed the economic benefits to be provided by the selected bid. Id. at p. 39. The Massachusetts Clean Energy Center subsequently entered into a Memorandum of Understanding with the Round 2 winning bidder to help ensure that its economic benefits commitments are honored. Id.

The Evaluation Team believes that the 2021 legislation’s requirement that bid proposals “be subject to review by ... the executive office of housing and economic development” was anticipated by the approach to analyzing economic benefits previously taken in 83C Round 2. As such, the Evaluation Team anticipates working with the Office of Housing and Economic Development as appropriate in assessing economic benefits. At the same time, for all the reasons discussed in the response to Question 4, the Evaluation Team will continue to follow the DPU-approved approach of keeping the details of the evaluation protocols and scoring confidential.

Question 6:

As part of its submission, each bidder is invited to submit an Excel-based form called an “Economic Development Summary Sheet” that prompts the bidders to list and describe their investment commitments. See 83C III Documents – Massachusetts Clean Energy (macleanenergy.com). Regardless of the weight of “economic benefits” in the overall evaluation, more clarity is needed about the criteria used to evaluate each set of investment proposals:

- a. Where in the bid documents may one find guidance as to the relative value of any given investment commitment? How is a developer to know which types of investments would lead to a higher “economic benefits” score and which ones wouldn’t?
- b. The Baker Administration’s state-wide economic plan has emphasized the importance of investment in so-called “Gateway Cities.” In keeping with this policy, could you confirm that as between otherwise identical investments, one situated in a Gateway City and the other not, that the investment in the Gateway City would be accorded a higher economic benefits score.
- c. The Economic Development Summary Sheet is divided into sections, one concerning investments in Massachusetts and the other concerning “Regional” investments. The form defines “Regional” as “New England and New York, excluding Massachusetts.”
 - i. What are the relative weights assigned to in-state and out-of-state investments in the scoring of “economic benefits to the Commonwealth”?
 - ii. Would otherwise identical commitments, one situated in Massachusetts and the other outside Massachusetts, be accorded identical scores?
 - iii. At what point in the process will the forms be made available for public disclosure?

Response 6:

Please refer to our response to Question 4, above. As we explained there, the Evaluation Team believes that the best way to secure the optimal level of economic benefits and other advantages for the benefit of customers and the Commonwealth is to adhere to the established evaluation process approved by the DPU, and that the sequestration of certain detailed evaluation criteria does not in any way relieve the Evaluation Team of accountability in how it evaluates economic benefits and other aspects of bids. Again, the Evaluation Team understands the interest in the evaluation protocol details. However, we believe that all parties – are better served if the Evaluation Team keeps the integrity of the process intact by following the DPU-approved approach of keeping these details of the evaluation protocols confidential.

Question 7:

In Appendix H, it states that Bidders will receive a “bid-specific ShareFile URL to use to submit both the confidential and public bid packages.” And that “It is the responsibility of the bidder to ensure that it does not publicly disseminate its unique ShareFile URL.” Does this mean that the Evaluation Team will not be creating secure, user specific password accounts for both the Bidders and members of the Evaluation Team that will have access to the Bidders’ proprietary and confidential information and as such anyone with a link will be able to access Bidder information? The presentation at the Bidder Conference implied that clicking on that URL link would result in full access, without any typical password and other protections.

(a) In addition to the above, please clarify the operation and security features of the ShareFile platform. Typically, access to a specific folder within ShareFile is granted by an administrator based on an email account, which requires the user to create a password. Security can be further enhanced through multi-factor authentication. In addition to the clarifications, please specifically address the security implemented to ensure restricted access by any person who is not on the evaluation team.

Response 7:

The utmost security measures will be used to protect the confidentiality of bid materials. A user-specific password along with two-step authentication (SMS, voice, or time-based one-time passcode authenticator app) will be provided to the bidder (based on the email request to marfp83C@gmail.com) in order to both upload and access bid materials via the ShareFile link. No one without the link, username, password, and two-factor device will be able to access the materials outside of the Evaluation Team, the Independent Evaluator, and their contracted consultants who are bound by confidentiality agreements. 256-bit encryption will be used along with SOC 2 certified data centers to house the data. Furthermore, ShareFile employs SSL/TLS protocols to protect client authentication, authorization and file transfers. The links themselves are uniquely and randomly generated to avoid guessing attacks.

Specifically, the administrator will create each requested bid user in ShareFile and send them a user-specific link to the Evaluation Team’s ShareFile account. The first time a user logs in, they will have to enter their phone number to get the two-factor authentication code and then create their own password (with strength requirements) before they can access ShareFile. After the administrator creates

Section 83CIII – Bidder Questions and Answer – July 29, 2021

each user, the administrator will be able to control access to any of the documents for each person on the account.

It remains the responsibility of the bidder to protect and secure all links, usernames, passwords, and two-factor devices used and/or provided to ensure no other party is able to access their submitted bid information.