

Section 83CIV – Bidder Questions and Answer – February 6, 2023

Question 1:

Is total award amount firmly capped at 3,600 MW? Is the maximum proposal size firmly capped at 2,400 MW?

Footnote 14 in 83C III allowed proposals to exceed the maximum if the excess was no more than half of the turbine nameplate capacity. This footnote does not appear in 83C IV. However, Response 12 ([amended-and-restated-bidder-questions-batch-2-12_15_23.pdf \(wordpress.com\)](#)) implies the cap is not firm saying, “Round 4 is soliciting no more than **approximately 3,600 MW** of Offshore Wind Energy Generation” [emphasis added]

As an example, is an award scenario of 3,608 MW possible if the portfolio consists of a 1,205 MW award and a 2,403 MW award, assuming both projects are using turbines larger than 10 MW?

References

Section 1.1 of the RFP states: “In this Request for Proposals (“RFP”), the Distribution Companies are seeking to procure at least 400 MW and up to the maximum amount remaining of the statutory requirement under Section 83C of 5,600 MW of Offshore Wind Energy Generation, subject to the provisions hereof, and taking into account Offshore Wind Energy Generation under contract at the time when proposals are due, **not in any event to exceed 3,600 MW.**” [emphasis added]

In the 83C III RFP, Footnote 14 on page 12 states: “The nominal maximum size of a proposal is 1600 MW; provided that a bidder’s proposal may exceed 1600 MW by an amount that is **not more than one-half of the nameplate capacity of the expected wind turbine size** proposed by the bidder.” [emphasis added]

Answer 1:

Per RFP Section 2.2.1.2, there is no preferred bid size and bidder’s proposals should be sized and designed to efficiently and cost-effectively use available lease area(s), interconnection point(s), transmission cabling, and other infrastructure required for the production and delivery of the Offshore Wind Energy Generation. The Evaluation and Selection Teams will review bids and create potential portfolios they believe meet the Section 83C statutory requirements.

Section 83C requires the distribution companies to enter into cost-effective long-term contracts for offshore wind energy generation equal to approximately 5,600 megawatts (MW) of aggregate nameplate capacity not later than June 30, 2027. At the time of the RFP’s release, the Distribution Companies had received final Regulatory Approval for their load-ratio share of approximately 2,000 MW of Offshore Wind Energy Generation, with 1,200 MW from 83C Round 3 subject to appeal and termination, leaving 3,600 MW available for Round 4 to meet the statutory maximum of approximately 5,600MW. Since the release of the current RFP an additional 1,200 MW of Offshore Wind Generation contracts have been terminated that will need to be procured in a future Section 83C solicitation to meet the statutory target.

While in the current solicitation, the Distribution Companies are seeking proposals of between 200 and 2,400 MW but cannot exceed 3,600 MW of Offshore Wind Energy Generation, the goal of the Section 83C procurement target of approximately 5,600 MW of Offshore Wind Generation is for the Distribution Companies to procure offshore wind through cost-effective long-term contracts. Given the additional

capacity now available due to contract terminations, the Evaluation Team finds that allowing for selection of a portfolio that exceeds 3,600 MW by a minimal amount (*i.e.*, one half turbine size as allowed in prior RFPs), if found to be a cost-effective option, is consistent with the purpose of Section 83C to procure more offshore wind and consistent with the Commonwealth's climate goals captured in other statutes.

Similarly, therefore, bidders may propose a project that exceeds the maximum bid size of 2,400 MW by a minimal amount (*i.e.*, one half turbine size as allowed in prior RFPs). If bidders wish to offer the Evaluation Team flexibility in designing portfolios including their proposed project, they may also indicate scalability in the Buyer's Percentage Entitlement (Bidders should note that projects that are proposed to be scalable in this way are only adjusting the Buyer's Entitlement; the Bidder would still be required to develop the full project capacity).

Question 2:

Bidder has a few questions related to the bid fee submittal form for the MA 83C4 Solicitation.

When completing the submittal form, the following error appeared when Bidder attempts to enter its proposals: "ERROR: Can only have one Index Price Proposal alternative for each unique bid."

This results from entry of a base bid proposal that is offered as part of four proposals: 1) a fixed single-state, 2) a fixed multi-state, 3) an index single-state, and 4) an index multi-state. Please see attached example file.

Does an indexed multi-state proposal that is identical in all respects to an indexed single-state proposal count as an "Index Price Proposal alternative"?

In this example, as a single physical proposal is being offered, should the proposer not be able to offer these 4 proposals for a total of \$625,000? Or would they have to offer the fixed multi-state proposal as an alternative physical offer, thereby increasing bid fees to \$650,000?

Also, if only 1 of these 4 proposals can be awarded, how should the negative contingency column be populated?

Thank you for any clarification that you can provide.

Answer 2:

In this example, the multistate proposal would not be an "Alternative Pricing Offer" of the Base Bid. "Alternative Pricing Offers" should only be used when the only aspect of the bid being changed is the price. In this example, the price remains the same and what changes is the number of states that the Project is willing to contract with. Since the price is not changing, this should be labeled as an "Alternative Physical Proposal."

The Bid Fee Column takes into account both the Proposal Type column and the Multistate Bid Column when calculating the fees due, so long as the Project labels the multistate alternative as "Yes and identical to a Single-State Proposal" in the Multi-State Bid column the bid fees associated with that Multi-State Proposal should be \$0.

Using the example provided, this is how the four proposals should be reflected in the Bid Fee Submittal Form:

- Proposal 1: Base Case Bid. Fee is \$600K
- Proposal 2: Alternative Physical Proposal which is a Multi-State Proposal and is identical to Proposal 1. Fee is \$0
- Proposal 3: Alternative Pricing Offer that is an Index Price Bid and adjusts Proposal 1. Fee is \$25K
- Proposal 4: Alternative Pricing Offer that is an Index Price Bid and adjusts Proposal 2. It is identical to Proposal 3. Fee is \$0
 - Total fees are \$625K.

We have also included an updated sample bid fee submittal form that reflects the example Proposals listed above.

Lastly, since in this example the Evaluation Team cannot select both the Single-State proposal and the Multi-State Proposal, the negative contingency column should say “yes.” Please also provide the proposal number that each proposal is negatively contingent with. Bidders are encouraged to provide additional clarity in their larger bid submission packets related to negative contingencies and how different proposals relate to one another.

Question 3:

Does the change in submission date affect the Initial Value of the Indexes for Indexed Prices?

Answer 3:

Please see the Informational Filing regarding updates to Indexing Adjustment Mechanism consistent with the extension of the Bid Submission Date.

Question 4:

The description of the Labor Index Initial Value is the “Last Available quarterly value prior to Bid Due Date”. This was anticipated to be Q3-2023 data based on the original due date. Is this now the Q4-2023 data?

Answer 4:

Please see the Informational Filing regarding updates to Indexing Adjustment Mechanism consistent with the extension of the Bid Submission Date.

Question 5:

The other Initial Value indexes are explicitly stated as the Average of September, October, and November 2023. Should bidders expect these dates to shift?

Answer 5:

Please see the Informational Filing regarding updates to Indexing Adjustment Mechanism consistent with the extension of the Bid Submission Date.