

## Section 83CIV – Bidder Questions and Answers – March 8, 2024

### **Question 1:**

On January 18, 2024, the Petitioners notified the Department that they were extending the Bid Submission Date and subsequent solicitation schedule dates by an additional 56 days each to allow Bidders the opportunity to gain more certainty around their eligibility for the ITC and factor it into their proposals for long-term offshore wind energy generation. The Treasury Department has indicated that further guidance is forthcoming on key provisions relevant to offshore wind developers, including the Energy Communities bonus, although such final guidance has not yet been issued.<sup>1</sup> In the scenario where final guidance is not provided prior to the March 27, 2024 bid submission deadline for the 83C Round IV solicitation, how should bidders handle necessary assumptions regarding the Energy Communities bonus in preparing their bids to 83C Round IV?

### **Response 1:**

Section 2.2.1.4.h of the 83C Round IV RFP states: *“Bidders must address how they would consider the Distribution Companies’ customers in the event of the availability or receipt of any tax credit or other government grant or subsidy not contemplated in their proposals. Bidders must state their assumptions regarding the availability of federal or state tax credits, subsidies, or grants or other incentives, including but not limited to those available under the Inflation Reduction Act of 2022, the Infrastructure Investment and Jobs Act of 2022, and/or the offshore wind incentives available from the MassCEC. If a bidder assumes that such credits, subsidies, grants or incentives will not be available for its Offshore Wind Energy Generation, it should state how it would propose to share the benefits of those credits, subsidies, grants or incentives with the Distribution Companies customers if they subsequently become available prior to the execution of a Long-Term Contract. For the avoidance of doubt, Bidders may propose a price decrease based on an increase in any state or federal tax credit or other government grant or subsidy, so long as that price decrease will be included in any Long-Term Contract.”*

Therefore, in compliance with Section 2.2.1.4.h, if a Bidder’s price does not assume that its Offshore Wind Energy Generation will receive the Energy Communities bonus because final Treasury guidance has not been issued, the Bidder is encouraged to also submit as part of its bid in the 83C Round IV solicitation (including Single-State and Multi-State bids) a price decrease option that does assume receipt of the Energy Communities bonus. The bidder would be required to include that price decrease in any Long-Term Contract resulting from this solicitation should such updated guidance be issued in line with the proposal. The Selection Team will indicate in any selection of such a bid for contract negotiations that the price decrease option must be memorialized in the resulting long-term contracts. If a Bidder submits such a price decrease option in its bid package, and updated tax guidance is provided after bid submission but prior to selection, the Evaluation Team may ask the Bidder questions to confirm the impact on the proposed bid price option.

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<sup>1</sup> [Remarks by Assistant Secretary for Tax Policy Lily Batchelder on Phase Three of Implementation of the Inflation Reduction Act’s Clean Energy Provisions](#)