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June 7, 2018

Via Electronic Mail and Hand Delivery

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: Docket 4822 – National Grid- RFP for Long-Term Contracting for Renewable Energy and RECs up to 400 MW

Dear Ms. Massaro:

Enclosed for filing are ten (10) copies of Bay State Wind LLC comments with respect to the above-referenced matter.

A signed original will be submitted within ten (10) days hereafter.

If you have any questions, please feel free to contact me.

Thank you for your attention to this filing.

Very truly yours,

A handwritten signature in black ink that reads "Melissa A. Reynolds" followed by a horizontal line.

Melissa Reynolds
Director, Business Development
on behalf of Bay Sate Wind LLC
56 Prospect Street

Hartford, CT 0613
Phone (860) 728-4637

cc: Docket No. 4822 Service List (electronically only)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have arranged for service of the foregoing upon each person designated on the official service list compiled by the Rhode Island Public Commission in this proceeding.

Dated at Berlin, CT, this 7th day of June 2018.

/S/ David Peloquin

David Peloquin

Tel: (860) 665-3554

Docket No. 4822 -- National Grid – RFP for Long-Term Contracting for Renewable Energy and RECs up to 400 MW

Service List updated 6/7/18

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COMMENTS OF BAY STATE WIND LLC

Pursuant to the draft *Request for Proposals for Long-Term Contracts for Renewable Energy* (“Draft RFP”) issued by the Narragansett Electric Company d/b/a National Grid (“Narragansett”) on April 20, 2018, Bay State Wind LLC (“BSW”) respectfully submits the following comments.

BSW wishes to recognize Rhode Island’s leadership in supporting the development of a U.S. offshore wind (“OSW”) industry, initially as the country’s OSW pioneer and recently with the procurement of one of America’s first commercial scale OSW farms. BSW views the current Draft RFP as a continuation of this leadership and fully supports Rhode Island and Narragansett’s efforts to develop and administer a procurement process for securing a further 400 MW of cost-effective renewable energy.

I. Substantive Comments on Draft RFP and Request for Clarifications and Modifications

In the following section, BSW outlines its substantive comments and respectfully offers recommendations to clarify or modify the Draft RFP before the final *Request for Proposals for Long-Term Contracts for Renewable Energy* is issued on August 20, 2018.

A. Offshore wind resources should be given full consideration as an eligible resource.

On May 23, 2018 Governor Raimondo announced Rhode Island's selection of Deepwater Wind to construct a 400 MW OSW farm subject to successful negotiation of a power purchase agreement and subsequent approval by the Rhode Island Public Utilities Commission. In making her announcement, the Governor noted that "[t]his new, large-scale offshore wind project will bring clean and low-cost power to Rhode Islanders and further diversify our energy resources--all while adding good-paying jobs to our growing economy."

BSW would submit that while this procurement marks significant progress towards achieving the Governor's stated goal of 1,000 MW by 2020, the state should not stop there. Rather, considerable additional potential exists to bring the environmental and economic benefits of OSW to Rhode Island in the very near term. As such, BSW suggests that OSW be given full and fair consideration in the instant RFP, and not be explicitly or implicitly excluded from the bidding process.

B. Evaluation criteria should more heavily weight economic development and other non-price factors

As a threshold matter, BSW supports the establishment of evaluation criteria that emphasizes the goals of cost-effectiveness, environmental stewardship and economic development. To this end, BSW recommends that more weight be placed on non-price factors than the 20% ascribed to this category in the draft RFP. Greater weighting of non-price factors described in Section 2.3.2.2 of the Draft RFP will ensure that Rhode Island realizes the benefits of job creation and other economic development from this procurement in addition to cost-effective clean energy. If greater weight is not placed on non-price factors, Rhode Island may find itself with a clean energy contract that does not deliver jobs and economic development to the

state. These factors require significant consideration by the evaluators to develop a holistic view of the likely success of a project in coming on-line and to gain a full overview of the benefits a project can provide to Rhode Island.

C. Evaluation criteria for non-price factors should be transparent and include reliability benefits.

Non-price factors play a significant role in a developer's ability to successfully bring a project online. BSW recommends that the evaluation criteria and scoring methodology utilized for each non-price factor be clearly delineated and provided to developers in conjunction with the issuance of the final RFP. Full transparency into the scoring criteria will provide developers the opportunity to customize their proposals to best meet the needs of Rhode Island. Evaluators need to carefully scrutinize bids to distinguish between real and achievable claims from those that are unrealistic, and ensure that state incentives are not stranded in support of projects which never get off the drawing board. Considerations subsumed within this category include: financial strength of the developer, project experience, feasibility of project timeline, economic development, low income benefits, and public support for the project, etc. Furthermore, BSW respectfully suggests that projects be scored on the reliability benefits they are able to deliver to Rhode Island.

D. Forecast of the carbon dioxide adder should be shared with potential bidders

Section 2.3.1 of the RFP states that National Grid plans to use a price forecast that will incorporate the effects of future federal or state regulation of carbon dioxide emissions on relevant energy prices. BSW requests clarification as to whether this

carbon adder will be incremental to costs incurred under the existing Regional Greenhouse Gas Initiative (RGGI). BSW also requests that the price forecast for carbon dioxide emissions be shared with potential bidders prior to bid submission. Given that price forecasts for carbon dioxide emissions may vary greatly and have a significant effect on project economics, it would be prudent and in the interest of transparency to share these prices with potential bidders up front.

E. RFP should allow bidders to recover costs for transmission scope under a FERC regulated tariff

Given that different renewable energy technologies with widely different transmission requirements will be competing against each other in this solicitation, BSW suggests that the RFP be amended to allow direct transmission costs to be recovered under a separate FERC-accepted OATT, Rate Schedule or Tariff and Service Agreement, as was done in the Massachusetts Section 83C RFP. This will help create a transparent and level playing field between different technologies with widely different transmission requirements, e.g.:

- An onshore wind project based in Maine would likely require a minor generator lead line and other significant onshore transmission reinforcements to bring its power down to Rhode Island; conversely
- An offshore wind project off the coast of southern New England would have a large generator lead line component, but would likely require minimal onshore transmission reinforcements to deliver energy to Rhode Island

By allowing bidders to recover generator lead line costs under a FERC regulated tariff the Evaluation Team would be able to directly compare the cost of generation as

shown under the PPA, while highlighting the importance of thorough modelling to adequately compare transmission costs between different technologies. This added pricing flexibility will also give Narragansett a broader pallet of options to choose between helping them find the best proposals for Rhode Island's electricity customers.

II. Conclusion

BSW appreciates the efforts of Narragansett and other key stakeholders to successfully implement the provisions and goals set out under the Long-Term Contracting Standard for Renewable Energy and Governor Raimondo's goal of increasing Rhode Island's clean energy portfolio ten-fold. Furthermore, BSW is thankful for the opportunity to submit these comments on the Draft RFP, and our recommendations are offered in the spirit of helping to ensure that the procurement of low-cost sources of renewable energy generation is completed in a timely manner that minimizes risks and contains costs, to the benefit of Rhode Island and its customers.

Respectfully submitted,

Bay State Wind LLC

By: 

Name: Melissa A. Reynolds
Duly Authorized Representative