

# Alerts

04/03/2017

## Massachusetts Issues New RFP For Clean Energy Projects; Seeks 9,450,000 MWh Annually

Today, the Massachusetts investor-owned electric distribution companies [1] and the Massachusetts Department of Energy Resources (DOER) issued a joint request for proposals (the RFP) for renewable energy generation and renewable energy credits (RECs) in the annual amount of 9,450,000 MWh. The RFP, which is available [here](#), seeks proposals for long-term contracts of 15 – 20 years to provide the distribution companies with clean energy generation. The proposals may also include transmission necessary to ensure full dispatch of the proposed clean energy generation to the ISO-New England (ISO-NE) energy markets.

The RFP reflects the Commonwealth’s continued commitment to procuring additional clean energy and provides bidders with a substantial opportunity to assist Massachusetts in meeting those commitments in a timely manner. The remainder of this alert provides a high level summary of the RFP, as well as next steps and important dates to remember.

**THE BACKGROUND.** Under the *Climate Protection and Green Economy Act*, [2] Massachusetts is required to “establish goals and meet targets for the reduction of greenhouse gas emissions by 2020, 2030, 2040, and 2050.” [3] Most immediately, the act requires a GHG emissions reduction of 25 percent below 1990 levels by 2020. Consistent with Section 83D of the 2008 *Green Communities Act*, as amended in 2016, [4] the current RFP encourages proposals that will “maximize the Commonwealth’s ability” to achieve such emissions reduction goals.” [5]

**WHAT THE RFP DOES.** The RFP seeks proposals for “Clean Energy Generation” and associated RECs, as well as transmission necessary to deliver such generation to Massachusetts ratepayers. “Clean Energy Generation” includes the following types of renewable energy resources, either alone or “firmed up” by hydroelectric generation:

- **Firm Service Hydroelectric Generation:** hydroelectric generation provided without interruption for one or more discrete periods designated in a long-term contract, including but not limited to multiple hydroelectric run-of-the-river generation units managed in a portfolio that creates firm service though the diversity of multiple units [6]; and/or
- **New Class I Renewable Portfolio Standard (RPS) Eligible Resources:** Class I renewable energy generating sources, as defined in Section 11F of Chapter 25A of the Massachusetts General Laws, that have not commenced commercial operation prior to the date of execution of a long-term contract or that represent the net increase from incremental new generating capacity at an existing generation unit after the date of execution of a long-term contract. [7]

Bidders may submit any of the following four bid types, or “eligible products,” that make use of some combination of the Clean Energy Generation described above and/or RECs, along with any necessary transmission:

1. Clean Energy Generation from Incremental Hydroelectric Generation via long-term contract;
2. Clean Energy Generation from new Class I RPS eligible resources via long-term contract;
3. Clean Energy Generation and Class I environmental attributes/RECs via long-term contract from a combination of incremental hydropower generation and new Class I RPS eligible resources; and
4. Clean Energy Generation from incremental hydropower generation and/or new Class I RPS eligible resources with Class I environmental attributes and/or RECs via long-term contract with a transmission project under a FERC tariff.

All submitted proposals must commit to interconnect to the ISO-NE Pool Transmission Facilities at the

### RELATED PROFESSIONALS

- ▶ Jared S. des Rosiers
- ▶ Liam J. Paskvan

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**BID AND CONTRACT REVIEW.** The RFP contemplates a three-stage evaluation of submitted bids by the distribution companies and the DOER, including (1) an initial review to ensure satisfaction of eligibility and threshold requirements; (2) a detailed quantitative and qualitative evaluation of each proposal using numerous identified criteria; and (3) a further discretionary evaluation of remaining proposals applying the “considered judgment” of the distribution companies to ensure the selected projects provide the greatest benefit with limited risk to Massachusetts ratepayers. [9]

Any executed long-term contract between a bidder and the Massachusetts distribution companies must be reviewed by the Massachusetts Department of Public Utilities (DPU), and approved upon a DPU finding that the contract is “a cost effective mechanism for procuring low cost clean energy on a long-term basis . . .” [10]

**NEXT STEPS.** The RFP provides for the following timeline for submittal, review, and selection of bids:

Event	Date
Issue RFP	March 31, 2017
Bidders Conference	April 25, 2017
Deadline for Submission of Questions	May 2, 2017
Submit Notice of Intent to Bid	May 2, 2017
Due Date for Submission of Proposals	July 27, 2017
Selection of Projects for Negotiation	January 25, 2018
Negotiate and Execute Long Term Contracts	March 27, 2018
Submit Long Term Contracts for DPU Approval	April 25, 2018

For answers to questions regarding the RFP or any other energy issue, please contact Jared S. des Rosiers at [jdesrosiers@pierceatwood.com](mailto:jdesrosiers@pierceatwood.com) or 207.791.1390, or Liam J. Paskvan at [lpaskvan@pierceatwood.com](mailto:lpaskvan@pierceatwood.com) or 207.791.1306.

[1] Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy.

[2] Mass. Gen. Laws Ch. 21N, Section 3(a – d).

[3] RFP at 2.

[4] Acts of 2016 Ch. 188, § 12.

[5] RFP at 1.

[6] RFP at Definitions Page B.

[7] RFP at Definitions Page C.

[8] RFP at 12.

[9] RFP at 37.

[10] RFP at 3.

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