



June 7, 2019

SUBSTITUTE FOR HOUSE BILL NO. 7156 – SECTION 1 – PROCUREMENT OF OFFSHORE WIND FACILITIES

NOTICE OF SCOPE OF PROCEEDING AND REQUEST FOR WRITTEN COMMENT

Pursuant to Section 1 of Substitute for House Bill No. 7156, *An Act Concerning the Procurement of Energy Derived From Offshore Wind* (the Act), the Department of Energy and Environmental Protection (DEEP), provides notice of its intent to solicit proposals, in consultation with the procurement manager of the Public Utilities Regulatory Authority (PURA), the Office of the Attorney General (AGO), and the Office of Consumer Counsel (OCC), from providers of energy derived from offshore wind facilities that are Class I renewable energy sources, as defined in Section 16-1 of the General Statutes, for up to two thousand (2,000) megawatts (MW) in the aggregate. The commissioner may seek proposals for any combination of energy, capacity, environmental attributes, and any associated transmission. Each bidder responding to the solicitation in this proceeding shall submit at least one proposal from an offshore wind facility with a nameplate capacity rating of four hundred (400) MW.

The commissioner must include requirements for selected bids that:

- (A) require payment of not less than the prevailing wage, as described in section 31-53 of the general statutes, for laborers, workmen and mechanics performing construction activities within the United States with respect to the project,
- (B) require selected bidders to engage in a good faith negotiation of a project labor agreement,
- (C) require bidders to include an environmental and fisheries mitigation plan for the construction and operation of such offshore wind facilities, including but not limited to an explicit description of the best management practices the bidder will employ that are informed by the latest science at the time the proposal is made that will avoid, minimize and mitigate any impacts to wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including but not limited to commercial fishing
- (D) require bidders to include plans for use of skilled labor, including but not limited to construction and manufacturing components of the proposal, including any outreach, hiring and referral systems that are affiliated with an apprenticeship training program registered with the Connecticut State Apprenticeship Council

The commissioner must consider the following factors in making any selection decision: (1) whether the proposal is in the best interest of ratepayers, including, but not limited to, the delivered price of such sources, (2) whether the proposal promotes electric distribution system reliability, including during winter peak demand, (3) any positive impacts on the

state's economic development through consultation with the Department of Economic and Community Development, (4) whether the proposal is consistent with the requirements to reduce greenhouse gas emissions in accordance with section 22a-200a of the general statutes, (5) whether the proposal is consistent with the policy goals outlined in the Comprehensive Energy Strategy adopted pursuant to section 16a-3d of the general statutes and the Integrated Resources Plan adopted pursuant to section 16a-3a of the general statutes, as amended by this act, (6) whether the proposal is consistent with the goals and policies set forth in sections 22a-92 and 25-157t of the general statutes, and (7) whether the proposal uses practices to avoid, minimize and mitigate impacts to wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including, but not limited to, commercial fishing with input from the commission on environmental standards established by the commissioner.

The commissioner may direct the electric distribution companies EDCs to enter into power purchase agreements (PPAs) for energy, capacity, environmental attributes, and any transmission associated with such energy derived from Class I offshore wind facilities. Any resulting PPA shall be subject to review and approval by PURA, which shall be completed not later than ninety days after the date on which the PPA is filed with PURA.

Pursuant to the Act, DEEP is in the process of convening a Commission on Environmental Standards (Commission) to provide input and facilitate public comment on best practices for avoiding, minimizing, and mitigating any impacts to wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including but not limited to, commercial fishing, during the construction and operation of offshore wind facilities eligible for this solicitation.

DEEP intends to adhere to the following schedule in this proceeding:

- June 14, 2019: Scoping written comments due
- July 1, 2019: DEEP releases draft solicitation
- July 15, 2019: Draft solicitation written comments due
- July 17, 2019: Commission releases draft recommendations
- July 24, 2019: Commission draft recommendation written comments due
- July 31, 2019: Commission releases final recommendations
- August 15, 2019: DEEP releases final solicitation
- September 30, 2019: Bid due date
- November 2019: DEEP announces solicitation decision

By way of this Notice, DEEP will be accepting public comment on the following questions until **June 14, 2019 by 4:00PM EPT**. Written comments may be filed electronically on [DEEP's website](#) or submitted to DEEP.EnergyBureau@ct.gov. All materials submitted by stakeholders in this proceeding will be posted on the DEEP website. Any questions can be directed via e-mail at DEEP.EnergyBureau@ct.gov.

1. What factors, metrics, or evidence should DEEP use to evaluate whether a proposal has any positive impacts on the state's economic development consistent with Section 1(b)(3) of the Act? How should DEEP measure direct and indirect economic benefits of a proposed project?
2. What requirements should DEEP include in any solicitation for bidders to demonstrate, consistent with Section 1(a)(2) of the Act, (A) payment of not less than the prevailing wage for laborers, workmen and mechanics performing construction activities, and (B) good faith negotiation of a project labor agreement?
3. Should DEEP seek proposals that include associated transmission? Should transmission facilities be individually built to support single projects or developed as a shared radial to support multiple projects? Please describe which configuration yields the most cost-effective transmission design for offshore wind facilities.
4. ISO-NE modeling indicates there may be a growing number of hours where renewable generation will have to be curtailed as large amounts of renewable generation comes onto the system.¹ This is expected to be particularly acute in the shoulder months. What can DEEP do in this solicitation to address the risk of curtailed power?
5. What factors should DEEP use to evaluate best practices for avoiding, minimizing and mitigating any impacts to wildlife, natural resources, ecosystems and traditional or existing water-dependent uses, including, but not limited to, commercial fishing, during the construction and operation of offshore wind facilities?
6. Comment on any other scoping issues relevant to the release of a solicitation in this proceeding.

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¹ ISO New England, "2016 Economic Study: NEPOOL Scenario Analysis" (Nov. 17, 2017), *available at* https://www.iso-ne.com/static-assets/documents/2017/11/final_2016_phase1_nepool_scenario_analysis_economic_study.docx