

2023 Rhode Island Request for Proposal for Offshore Wind Energy

Per ACES Statute

Question and Answer Response #6

Pricing Question

- 1. Bidder Question:** Regarding the Fixed Escalator Pricing, as well as the Inflation-Adjusted Pricing after the inflationary adjustment period, if a bidder proposes to change the price for energy (in \$/MWh) and RECs (in \$/REC) by a fixed rate, does the maximum change per year of 3% apply to the combined price for energy and RECs, or individually to the price of energy and to the price of RECs?

- **Rhode Island Energy Response:** For Fixed Escalator Pricing, the maximum change per year of 3% applies to the combined price for energy and RECs. For example, a bidder may propose the energy price increases by more than 3% annually, if the combined price for energy and RECs does not increase by more than 3% annually. Fixed Escalator Pricing allows bidders to propose rates that change by a fixed rate for the term of the contract, or by different fixed rates for various periods of the contract, subject to the annual cap of 3%.

For Inflation-Adjusted Pricing, after the inflationary adjustment period, the maximum change per year of 3% applies to the price of energy (in \$/MWh) and the price of RECs (in \$/REC) independently.

Note: Unless stated otherwise, RFP refers to the “Request for Proposals for Long-Term Contracts for Offshore Wind Energy,” Issuance Date October 13, 2023 (as amended), by the Narragansett Electric Company d/b/a Rhode Island Energy.