

REQUEST FOR PROPOSALS

FOR

LONG-TERM CONTRACTS FOR

OFFSHORE WIND ENERGY

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The Narragansett Electric Company d/b/a Rhode Island
Energy

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 - o Economic Development Excel Form (Posted Separately)
- Appendix B: ACES Statute
- Appendix C: Draft Contract (Posted Separately)
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1.0 Introduction and Overview

1.1 Purpose of the Request for Proposals (“RFP”)

The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”), an electric distribution company serving customers in Rhode Island, seeks proposals for the supply of offshore wind energy as well as Renewable Energy Certificates and all related environmental attributes¹ (collectively, “RECs”) from eligible, newly developed offshore wind energy projects under one or more long-term power purchase agreements (“PPAs”). This RFP is being issued pursuant to the Affordable Clean Energy Security Act, R.I. Gen. Laws § 39-31-5, as amended effective July 1, 2022 (as so amended, the “ACES”), a copy of which is included as Appendix B to this RFP.

In this RFP, Rhode Island Energy is soliciting bids to enter into long-term PPAs for energy and RECs from eligible, newly developed offshore wind energy. Long-term contract durations should be at least 15 years and may not exceed 20 years for a conforming bid. Bidders must submit at least one conforming bid in response to this solicitation. Non-conforming bids may have long-term contract durations of up to 30 years. For more details, please refer to Section 2.2.2.4, “Allowable Contract Term.” Any PPAs entered into as a result of this solicitation are subject to review and approval by the Rhode Island Public Utilities Commission (the “Commission” or “PUC”). See R.I. Gen. Laws § 39-31-6. More information and details about the ACES obligation and its requirements are described in Section 1.2 below.

This RFP includes a draft contract for offshore wind energy generation (“Draft Contract”), as Appendix C, and the terms of any PPAs will be finalized between Rhode Island Energy and any successful bidder(s) based on the proposals submitted and selected in accordance with the process set forth in this RFP. Rhode Island Energy reserves the right to reject any or all changes to the Draft Contract included in a selected proposal.

Rhode Island Energy may invite the Pascoag Utility District (“PUD”) and the Block Island Power Company (“BIPCo”) to purchase a portion of the energy and RECs from any selected project(s) under the ACES.²

This RFP outlines the process that Rhode Island Energy plans to follow, sets forth timetables regarding the solicitation process, provides information and instructions to prospective bidders, and describes the evaluation process that will be followed once proposals are received.

¹ Such RECs include, but are not limited to, all associated clean energy attribute certificates issued in the New England Power Pool Generation Information System.

² After any project(s) have been selected by Rhode Island Energy for PPAs, PUD and BIPCo may be allocated a portion of the energy and REC purchases based on their relative load shares, provided that such purchases are specifically authorized by PUD and BIPCo as being in the best interest of their ratepayers, and that such purchases are projected to reduce or have no effect on the cost to Rhode Island Energy’s customers. If both PUD and BIPCo are allocated a portion of the energy and RECs, their combined share of the project’s total output being purchased pursuant to their RFP would be approximately one percent(1%).

1.2 Statutory and Regulatory Framework of the ACES

Rhode Island Energy is authorized to voluntarily participate in state, multistate, or regional efforts to procure eligible renewable energy resources, including wind, on behalf of electric ratepayers, in consultation with the Rhode Island Office of Energy Resources (the “OER”) and the Rhode Island Division of Public Utilities and Carriers (the “Division”). R.I. Gen. Laws § 39-31-5. The amount of energy and RECs procured in this solicitation will depend on Rhode Island Energy’s evaluation of the proposals submitted. Rhode Island Energy is not required to enter into negotiations with any bidder if it determines that those negotiations are unlikely to lead to a contract that complies with all of the requirements of this RFP and §§ 39-31-5 and 39-31-6 of the ACES. See R.I. Gen. Laws §39-31-6(a).

All PPAs approved under the ACES must be commercially reasonable long-term contracts³ between electric distribution companies and developers or sponsors of newly developed offshore wind capacity, and are ultimately subject to PUC approval. R.I. Gen. Laws § 39-31-6(a)(1)(iii), (vii)(A). Under the ACES, PPAs must also be consistent with the achievement of the state’s greenhouse gas reduction targets as specified in chapter 6.2 of title 42 (the “2021 Act on Climate”). R.I. Gen. Laws § 39-31-6(a)(1)(vii)(C). The offshore wind energy resource(s) being sought through this RFP must be a “newly developed renewable energy resource.” Although “newly developed offshore wind capacity” is not defined by the ACES, the Long-Term Contracting Standard for Renewable Energy (R.I. Gen. Laws ch. 39-26.1) and the “Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy” (the “Regulations”) promulgated by the Commission define “newly developed renewable resource” as an electric generation unit that uses exclusively an eligible renewable energy resource to generate electricity, and that has neither begun operation, nor have the developers of the units implemented investment or lending arrangements necessary to finance the construction of the unit. R.I. Gen. Laws § 39-26.1-2(7); Section 1.3 of the Regulations. Rhode Island Energy intends to apply this standard to determine the eligibility of generating facilities in this RFP. For more details on the eligibility of a facility under this RFP, please refer to Section 2.2.2.2 below.

In sum, a PPA must meet the following ACES requirements for approval by the PUC:

- (a) the project must be qualified as a “eligible renewable energy resource,” as defined in R.I. Gen. Laws § 39-26-5;
- (b) the PPA must be commercially reasonable;
- (c) the requirements for the solicitation must be met;
- (d) the PPA must be consistent with the achievement of the state’s greenhouse gas reduction targets under the 2021 Act on Climate;

³ See R.I. Gen. Laws § 39-31-3 (defining “commercially reasonable” to mean terms and pricing that are reasonably consistent with what an experienced power market analyst would expect to see in transactions involving regional energy resources and regional energy infrastructure, having a credible project operation date, and the benefits to Rhode Island exceed the cost of the project.).

(e) the PPA must be consistent with the purposes of the ACES; and

(f) regardless of location, the project must improve energy system reliability and security; enhance economic competitiveness by reducing energy costs to attract new investment and job growth opportunities and protect the quality of life and environment for all residents and business. R.I. Gen. Laws § 39-31-2.

Additionally, the project must operate in a designated wind energy area for which an initial federal lease was issued on a competitive basis after January 1, 2012. The project must be located on the Outer Continental Shelf and no turbine may be located within ten (10) statute miles of any inhabited area. (See Section 2.2.2.2 below)

1.3 Procurement Process and Evaluation Approach

The timeline for evaluation and selection following the issuance of this RFP, as well as the schedule for other steps in the process including approval by the PUC, is set forth below in Section 3.1. The evaluation of bids will be conducted by Rhode Island Energy, in consultation with OER and the Division. The procurement process is designed to have three stages of evaluation, as described in Section II of this RFP.

In Stage One, proposals will be evaluated on the basis of whether eligibility and threshold requirements are satisfied. Eligibility requirements are designed to ensure that the proposals under review offer the appropriate products and PPA tenor from Eligible Facilities (as defined in Section 2.2.2.2). Threshold requirements are designed to ensure that proposed projects satisfy statutory criteria under the ACES, meet minimum standards for viability and don't expose the Company and its customers to unreasonable risk. Rhode Island Energy reserves the right to conduct further evaluation of a proposal, at its discretion, before the Stage One evaluation is complete.

In Stage Two, bids that pass the eligibility and threshold review in Stage One will be evaluated based on specified price and non-price evaluation criteria. This portion of the evaluation will be quantitative in nature (*i.e.*, a quantitative scoring system will be utilized) and is described in more detail in Section 2.3 below. Proposals that meet the eligibility and threshold review and that score favorably in the combined price and non-price scoring of Stage Two will advance to the final stage of the evaluation process.

In Stage Three, further evaluation of the remaining bids will be conducted on matters pertaining to project viability and the extent to which the bids, individually and perhaps considered with others as part of a portfolio, achieve a variety of objectives, including cost-effectiveness and other economic benefits to the state of Rhode Island, impacts on customer bills and other specific goals in the ACES. In addition, any other potential benefits or risks not captured elsewhere in the analysis will be taken into account at this stage. Rhode Island Energy may select a proposal or a portfolio of proposals for PPA consideration and negotiation from this pool. All three stages of the evaluation process, including the pertinent criteria, are described in Section II of this RFP.

1.4 Communications between Rhode Island Energy and Bidders

With the exception of the bidders' conference (see Section 3.1 below), all pre-bid contact with prospective bidders and other interested parties will be via email and the Rhode Island Energy energy procurement website provided in Section 3.5 below. Bidders should submit all questions by email, and Rhode Island Energy will post responses to the website. Copies of proposals must be submitted to Rhode Island Energy in the manner and at the mailing/delivery address set forth in Section 3.5 of this RFP.

Following the submission of a proposal, it is the bidder's responsibility to keep Rhode Island Energy informed on a timely basis of any changes in the status of its proposal and/or project for the next 240 days that its bid must remain open. These communications shall not include revisions to the bidder's proposals. Rhode Island Energy retains the right to seek additional information from any bidder, including any proposal clarification, and the right to request that a bidder address any changes in circumstances, until a final contract is executed.

2.0 Bid Evaluation and Selection Criteria and Process

2.1 Overview of Bid Evaluation and Selection Process

Proposals received by Rhode Island Energy will be subjected to a consistent and defined review, evaluation, and selection process, as described in the following sections. Based on the results of the evaluation, Rhode Island Energy will select proposals for contract negotiations, and will file any and all executed contracts for review and approval by the PUC. **Each executed contract will be filed with the PUC in its entirety with sensitive information potentially subject to redaction. Note that the contract price will not be protected as sensitive information.**

2.2 Eligibility, Threshold and Other Minimum Requirements — Stage One

2.2.1 Introduction

In order to qualify for detailed evaluation, a proposal must be timely submitted⁴ and satisfy certain minimum requirements, which are: (1) eligibility requirements; (2) a variety of threshold requirements; and (3) other requirements pertaining to participation in this RFP, including bidder certifications and allowable pricing. If a proposal does not satisfy all of these Stage One requirements, it may be disqualified from further review and evaluation.⁵ See Sections 2.2.2 through 2.2.4 below.

⁴ For it to be eligible, Rhode Island Energy must receive a bid by 12:00 p.m. (i.e., noon), Eastern Prevailing Time on the due date for proposals, as set forth in Section 3.1 below.

⁵ Rhode Island Energy reserves the right to conduct further evaluation of a proposal, at its discretion, before the Stage One evaluation is complete.

2.2.2 Eligibility Requirements

All proposals must meet the following eligibility requirements set forth below. Specifically, proposals will be considered from an “Eligible Bidder” with respect to “Eligible Products” generated from an “Eligible Facility.” The Eligible Products must be offered for the “Allowable Contract Term” in quantities that are equal or greater than the “Minimum Contract Size.” Failure to meet any of these requirements will lead to disqualification of the proposal from further review and evaluation.

2.2.2.1 Eligible Bidder

An “Eligible Bidder” is the developer of an Eligible Facility for offshore wind energy or is in possession of the development rights to an Eligible Facility for offshore wind energy, i.e., the developer of the Eligible Facility for offshore wind energy.

2.2.2.2 Eligible Facility

An “Eligible Facility” must be an offshore wind generation facility that qualifies as both an eligible renewable energy resource as defined in R.I. Gen. Laws §39-26-5 and a “newly developed renewable energy resource.” A “newly developed renewable energy resource” is defined in R.I. Gen. Laws § 39-26.1-2(7) as an electrical generation unit that uses exclusively an eligible renewable energy resource, and that has neither begun operation, nor has the developer of the unit implemented investment or lending agreements necessary to finance the construction of the unit. As of the date of contract signing, the generation unit(s) must not have begun operation, and the developers must not have implemented investment or lending arrangements to finance construction.⁶ An Eligible Bidder must demonstrate that it has a federal lease issued on a competitive basis after January 1, 2012 for an offshore wind energy generation site that is located on the Outer Continental Shelf and for which no turbine is located within 10 statute miles of any inhabited area. An offshore wind generation facility that has an untermiated power purchase agreement shall not be deemed an Eligible Facility.

2.2.2.3 Eligible Products

An Eligible Bidder must propose to sell energy and all associated Environmental Attributes, including RECs, from an Eligible Facility under a PPA (the “Eligible Products”). The structure of the contract must be both unit-specific and unit-contingent (i.e., if the specific wind turbines identified as comprising seller’s project produce energy and RECs, then seller must deliver that energy and those RECs to buyer) and the delivery point under the contract must be to an onshore ISO-NE Pool Transmission Facilities (“PTF”) located within ISO-NE. A bidder may propose multiple delivery points, so long as each delivery point satisfies the requirements of this RFP and the Draft Contract and the bidder specifies the generation profile for each delivery point. Unless otherwise directed by the Commission, the Company intends to sell all energy

⁶ The Eligible Facility may be a distinct phase of wind turbines that is co-located with existing wind turbines in the same Federal lease area, so long as the specific turbines under contract with Rhode Island Energy can be identified and satisfy the criteria for being an “Eligible Facility.”

immediately into the wholesale spot market and use the RECs to meet the Rhode Island Renewable Energy Standard. Any excess RECs will be sold into the REC market.

It is the bidder's responsibility to satisfy the delivery requirement. The delivery point must be an onshore ISO-NE PTF and located so that Rhode Island Energy is not responsible for wheeling charges to move energy. Rhode Island Energy will not be responsible for any costs associated with delivery other than the payment of the contract price. Similarly, Rhode Island Energy will not be responsible for any scheduling associated with delivery. Rhode Island Energy will not be the Lead Market Participant, as defined by ISO-NE, for any project.

2.2.2.4 Allowable Contract Term

An Eligible Bidder must submit a proposal for the sale of Eligible Products from an Eligible Facility for a term of at least 15 years and no more than 20 years for a conforming bid. Bidders must submit at least one conforming bid in response to this solicitation. Non-conforming bids may have long-term contract durations of up to 30 years.

2.2.2.5 Minimum/Maximum Contract Size and Allowable Alternative Bids

The Minimum/Maximum Contract Size is the proposed amount of Eligible Products from all or a portion of the net generating capability of an Eligible Facility that is, at a minimum, 300 MW AC and, at a maximum, approximately 1,200 MW AC, at the Pool Transmission Facility (PTF) Point of Interconnection (POI). Each Eligible Bidder is required to submit at least one proposal that is at least 300 MW and no more than approximately 1,200 MW. Eligible bidders are encouraged to offer multiple project sizes and to indicate the extent to which their bids may be scalable to accommodate adjustment if they are conditionally accepted as part of a portfolio of bids, or for other reasons. A bidder may bid the entire production of Eligible Products from its proposed Eligible Facility, or any fixed percentage of the production for its proposed Eligible Facility, provided that if a bidder only proposes a fixed percentage of the production from its proposed Eligible Facility, the pro rata portion of that production must be equivalent to at least 300 MW and must not exceed approximately 1,200 MW (e.g., if a bidder proposes one-half of the production from its Eligible Facility, then the generating capability of that Eligible Facility must be at least 600 MW and must not exceed 2,400 MW) and would allow for unit-specific and unit-contingent allocation in the contract(s).

Two or more Eligible Bidders, together, may submit a joint conforming proposal consisting of two or more Eligible Facilities, provided such bidders propose a sharing, to some extent, of common delivery and interconnection facilities. Rhode Island Energy would be willing to enter into separate contracts with each Eligible Bidder for the purchase of the energy and RECs produced from its Eligible Facility, provided that any agreements required between the Eligible Bidders (e.g., as to their individual and/or shared obligations and responsibilities associated with the construction and operation of their common facilities) shall not involve Rhode Island Energy, nor affect the obligations and responsibilities each Seller will have under its separate PPA with Rhode Island Energy.

2.2.2.6 Eligible Contingent Bids

Positive contingent bids are permitted under this RFP which only differ from the original bid by providing a lower price when multiple power purchase agreements are awarded. For example, a bidder can provide a certain price for energy and RECs in their original bid, as described in Section 2.2.4.2, and may provide a lower price if the bidder is awarded one or more additional separate offshore wind power purchase agreements, in either this RFP or in another state located in the northeastern United States.

Bidders may propose multiple bids for an individual Eligible Facility or portion of a lease area, with a negative contingency which allows the bidder to withdraw their Eligible Facility from Rhode Island Energy's evaluation and selection process under this RFP if that individual Eligible Facility is selected by another state or electric distribution company, with no penalty or cost to the bidder, other than the non-refundable bid fee described in Section 2.2.4.5. Bidders must indicate if a proposed individual Eligible Facility is also offered into another state's RFP, such that the selection by another state or electric distribution company would cause the bidder to withdraw its bid from Rhode Island Energy.

An Eligible Bidder that has submitted a proposal in response to any ongoing solicitation for offshore wind issued by another state for the same Eligible Facility must submit a copy of the complete, unredacted proposal submitted by the Eligible Bidder or any affiliate of the Eligible Bidder in response to such procurement as an attachment to any proposal submitted in response to this RFP. The Rhode Island Energy evaluation team may use such copy to assess the reasonableness of the proposal, including pricing, compared to any proposals submitted in response to the other state's relevant procurement. The Company may request that the Eligible Bidder send a copy of their complete, unredacted proposal submitted to Rhode Island Energy to any other state if the project includes the same Eligible Facility, for similar purposes.

2.2.2.7 Eligible Multi-State Bids

On October 3rd, 2023, the OER, the Massachusetts Department of Energy Resources ("MA DOER"), and the Connecticut Department of Energy and Environmental Protection ("CT DEEP") and, together with the OER, CT DEEP, and the MA DOER, ("MOU Parties"), entered into an Offshore Wind Multi-State Coordination Memorandum of Understanding ("MOU") which is attached to this RFP as Appendix G. In furtherance of the MOU, the Company, as the largest electric distribution company in Rhode Island, will accept and consider multi-state bids under this RFP provided that any such bid(s) have a positive or neutral impact on the Company's ratepayers and would provide other benefits. To submit a multi-state bid under this RFP, Eligible Bidders must indicate in their bid submission that a multi-state bid is included, the applicable states that are desired to be included in the multi-state selection, and complete and submit with their bid submission, the Multi-State Proposal Bid Submission Form attached as Appendix H.

Multi-state bids may be proportionally shared by the load share of each state, although final apportioning may vary based on mutual agreement between the MOU Parties. If the Eligible Products are allocated among Rhode Island Energy and any other MOU Parties or their electric distribution companies, separate PPAs will be negotiated between the bidder and the applicable MOU Party or electric distribution company in each respective state. No two bids representing the same capacity may be selected in different single state solicitations. The MOU provides that Bidders should be instructed

to not withdraw bids from any single state solicitation to prevent the dual selection of negatively contingent bids.

In accordance with the MOU, the Company will provide a copy of any such multi-state bid to all MOU Parties and/or their applicable electric distribution companies. Confidential information submitted to the MOU Parties and/or their applicable energy distribution companies under the MOU is subject to the confidentiality requirements in Section 1E of the MOU.

2.2.3 Threshold Requirements

2.2.3.1 Introduction

Proposals that meet all the Eligibility Requirements will be evaluated to determine compliance with threshold requirements, which have been designed to screen out proposals that are: insufficiently mature from a project development perspective; lack technical viability; impose unacceptable financial or accounting consequences for Rhode Island Energy; are not in compliance with RFP requirements pertaining to credit support; fail to satisfy minimum standards for bidder experience and ability to finance the proposed project; or fail to include elements required by the ACES. The threshold requirements for this RFP are set forth below.

2.2.3.2 Reasonable Project Schedule

Rhode Island Energy is interested in projects that can demonstrate the ability to develop, permit, finance, and construct the proposed Eligible Facility within a reasonably proximate time. To that end, Eligible Bidders must provide a reasonable schedule that provides deadlines for all of the following events, after the contract execution date:

- Acquisition of all required real property rights necessary for construction and operation;
- Receipt of all permits necessary to construct and operate the facility;
- Execution of interconnection agreement with ISO-NE and interconnecting utility;
- Closing of construction financing;
- Major material purchase order/contract agreements in-place, including turbines, foundations, cables, and substations;
- Major material delivery for use, including turbines, foundations, cables, and substations;
- Vessel procurement and/or contracting;
- Commencement of construction;
- Commercial Operation Date.

Bidders must demonstrate that their projects have a credible operation date. The term “credible operation date” means the project is more likely than not to come on line by the date that is projected within the proposal, as evidenced by documents filed by a bidder showing, at a minimum, the following:

- Material progress toward and plan for acquisition of all required real property rights;
- Commencement of and plan for permitting;
- Viable electrical interconnection plan;

- Viable wind resource assessment;
- Environmental Characterization;⁷
- Environmental and Fisheries Mitigation Plan (“EFMP”);
- Viable financing plans;
- Evidence of material vendor activity and procurement strategy, and
- Viable Construction and Logistics Plan for offshore and onshore work.

Other considerations for establishing a credible operation date include:

- developer experience in completing projects within New England by proposed dates;
- assignment of an ISO-NE interconnection queue position; and
- developer’s ability to secure financing necessary to complete the project by the proposed date.

A proposal that does not have a reasonable schedule for the application for, and receipt of, necessary permits and approvals may be determined not to have satisfied this threshold requirement. In addition, a proposal that is determined to have a “fatal flaw” such that it will be unable to obtain permits or property rights necessary to finance and construct the proposed project may be determined not to have satisfied this threshold requirement.

2.2.3.3 Site Control

An Eligible Bidder must demonstrate that it has a federal lease for an offshore wind energy generation site, as described in Section 2.2.2.2, as well as a valid lease, or option to lease, for marine terminal facilities necessary for staging and deployment of major project components to the project site. The bidder must also detail the proposed interconnection site and both the offshore and the onshore route and describe what rights the bidder has to both, and provide a detailed plan and timeline for the acquisition of any additional necessary rights. The bidder may identify alternative offshore and onshore routes to the proposed delivery point, describing the factors relevant to which route will be ultimately selected.⁸ If the bidder has not secured all of its real property rights onshore, it must provide at least one alternative for each unsecured real property right.

For each cable route the bidder must: (i) specifically describe the portions of the route for which the bidder has acquired sufficient rights to locate its Offshore Delivery Facilities⁹

⁷ For the purposes of this RFP, Environmental Characterization refers to a thorough, desktop-level review of the environmental characteristics of both the offshore and onshore areas impacted by the project, including the alternative routes proposed if site control has not been acquired for all real property rights, and provides a review of those areas for natural or cultural resource sensitivity with a description of how this determination was made.

⁸ Bidders may also propose alternative interconnection points. As described in Section 2.2.4.5, a bid submitted with alternative interconnection points will require a bid fee payment for each proposed alternative interconnection point.

⁹ “Offshore Delivery Facilities” is defined as the transmission or interconnection facilities constructed by an Eligible Bidder to transport energy from an Eligible Facility to an onshore PTF. Site control information as described above must be provided for all Offshore Delivery Facilities associated with the bid.

proposed and (ii) provide a reasonable and achievable detailed plan (with a timeline) to acquire sufficient rights to the remainder of the necessary Offshore Delivery Facilities locations. The required information and documentation shall include the following:

i. Plans, including a map of the Eligible Facility site that clearly delineates the perimeter of the area in which offshore wind turbines will be placed, the proposed offshore routes to the project site, the proposed onshore routes to the interconnection location, and all proposed substations or areas of other major equipment. To the extent that alternative routes for offshore and onshore interconnection facilities have been considered in developing the bid, maps showing these locations should also be provided. Maps should be of scales required to identify significant marine or terrestrial features, e.g. shellfish management areas, parks, highways, etc.;

ii. A map showing the location of the marine terminal facilities;

iii. A description of all leases, agreements, easements, and related documents granting the right to use the Eligible Facility site and associated Offshore Delivery Facilities, as well as the marine terminal for deployment of major project components, and detail which have been obtained. Provide a detailed plan and timeline to secure the remaining leases, agreements, easements, and related documents. Provide copies of any leases, agreements, easements, or related documents obtained, upon request;

iv. A description of all regulatory body approvals, such as permits, assents, and licenses for the use and operation of the Eligible Facility site and associated Offshore Delivery Facilities, including zoning, and detail which have been obtained. Provide a detailed plan and timeline to secure the remaining regulatory body approvals. Provide copies of any regulatory body approvals obtained, upon request;

v. A description of the area surrounding any land-based project area, including the marine terminals for deployment of major project components (e.g., foundations, towers, blades, rotors, offshore substations) and all transmission and interconnection facility locations;

vi. A description of the stakeholder engagement plan, including identification of groups of stakeholders to be included, engagement goals for each such group, engagement activities and community partnerships included in the plan, and demonstrated evidence of past and current productive relationships with project stakeholders.

vii. An Environmental Characterization, which refers to a thorough, desktop-level review of the environmental characteristics of both the offshore and onshore areas impacted by the project, including the alternative routes proposed if site control has not been acquired for all real property rights, and provides a review of those areas for natural or cultural resource sensitivity with a description of how this determination was made. If multiple routes are provided or required in your submission, a review of the positive and negative reasoning for each route and a determination of a recommended route is preferred. In addition, the Environmental Characterization must describe the environmental impacts of the Proposed

Facility on environmental justice¹⁰ communities and plans to mitigate those impacts.

2.2.3.4 Interconnection and Delivery Requirements

The delivery of Eligible Products from an Eligible Facility must occur throughout the term of the contract. Substitution of non-Eligible Products is not allowed for delivery or firming of delivery. It is the responsibility of the bidder to satisfy the delivery requirement. Rhode Island Energy will not be responsible for any costs associated with delivery other than the payment of the contract price. Similarly, Rhode Island Energy will not be responsible for any scheduling associated with delivery.

The bidder will be responsible for all costs associated with and/or arising from: (a) interconnecting its project to the PTF at both the Network Capability Interconnection Standard (“NCIS”) and the Capacity Capability Interconnection Standard (“CCIS”) level and (b) for ensuring that the generation is delivered, and recognized in ISO-NE’s settlement system as injected in the ISO-NE energy market, at the specified and agreed upon ISO-NE pricing node. The bidder must agree to deliver energy to Rhode Island Energy in the ISO-NE Settlement Market System by registering Rhode Island Energy as one of the asset owners on the ISO-NE Generator Asset Registration Form for the facility, which registration will also reflect the capacity of any additional offshore wind generation facilities that share an ISO-NE meter with the Eligible Facility.

The burden is on bidders to provide Rhode Island Energy with information, analyses, and studies in order for Rhode Island Energy to make a determination that the proposal includes all costs associated with completing the upgrades that would be required by ISO-NE’s NCIS and CCIS. Bidders must provide adequate information and analyses regarding the upgrades and must explain how the identified upgrades will satisfy ISO-NE’s interconnection standards.

Rhode Island Energy is seeking projects from which the expected generation delivery profile submitted in its bid can be delivered without material constraints or curtailments. Consequently, bidders must demonstrate that their proposed point of delivery into ISO-NE, along with their proposed interconnection and transmission or distribution system upgrades, is sufficient to ensure full delivery consistent with the proposal’s submitted generation profile. Proposals must include in their pricing all interconnection and transmission or distribution system upgrade costs required to ensure such delivery, including upgrades that may need to occur beyond the point of interconnection.

The expected generation delivery profile submitted by the bidder should reflect any remaining projected non-material constraints or curtailments, if any, associated with the proposal (after inclusion of any network upgrades associated with application of the NCIS and CCIS interconnection standard, and any additional network upgrades proposed by the bidder for the project). If a bidder’s proposal and associated generation delivery profile includes and assumes additional network upgrades (which the bidder would be committed to have built, would be instituted through an elective upgrade process with ISO-NE, and for which the bidder would also have complete cost responsibility), then, as is the case with the required NCIS and CCIS interconnection upgrades, the bidder must include all details of such additional network

¹⁰ Environmental justice and historically marginalized communities are used interchangeably throughout this RFP.

upgrades, including supporting studies and information, necessary to allow a proper evaluation of the proposal.

Final determination of the network upgrades and other interconnection features required to support a bidder's CCIS interconnection will be determined by the ISO-NE under the Forward Capacity Auction Qualification ("FCAQ") process. However, each proposal must include a realistic and specific plan to implement any transmission system upgrades or other work anticipated to be needed to achieve CCIS interconnection, as identified under the FCAQ process.

While the requirement to interconnect at the CCIS level will require the proposed project to complete the FCAQ process, and qualify for participation in a Forward Capacity Auction ("FCA"), bidders are not required by Rhode Island Energy to participate in an FCA of the ISO-NE Forward Capacity Market in pursuit of clearing with a Capacity Supply Obligation. Rhode Island Energy will not purchase capacity from the project if the project clears in the FCA, and any capacity revenues will accrue to the Lead Market Participant for the project. In any case, the bidder must complete any upgrades that are identified in the FCAQ process to interconnect at the NCIS and CCIS levels.

To the extent that ISO-NE is considering changes to the current interconnection rules, bidders may also submit studies using the new ISO-NE proposed process. Any such studies must be accompanied with clear documentation of study technical and cost assumptions, reasoning, and justification of such assumptions. Rhode Island Energy may consider such additional studies during the evaluation process if applicable, but will not consider submissions based on interconnection processes or rules that have not been proposed by ISO-NE. Rhode Island Energy will consider updates to the Federal Energy Regulatory Commission's pro forma large generator interconnection procedures as contemplated by Order 2023 and ISO-NE's implementation thereof to the extent that those updates are effective prior to the selection of one or more bids under this RFP.

The amount paid for any energy and/or RECs under the PPA will be reduced to reflect any costs related to Offshore Delivery Facilities, network upgrades and/or the interconnection of the project to the transmission system of the interconnecting utility that are collected under the ISO-NE Tariff or ISO-NE rules or under any tariff or other cost recovery mechanism and that would have been paid by the bidder, i.e., under the tariffs and rules in place at the time of bid submittal but for that alternative collection arrangement.

The generation unit shall comply with all ISO-NE and FERC interconnection requirements for generation facilities and interregional ties, as applicable. The RECs must be delivered into Rhode Island Energy's NEPOOL Generation Information System ("GIS") accounts.

To meet this requirement, bidders must submit a plan that clearly demonstrates how generation will be delivered from or by the proposed eligible project to the delivery point that is a PTF Node as outlined in Section 6 of Appendix A to this RFP.

The required information and documentation shall include the following:

- i. The bidder must detail the status (and conclusions, as available) of interconnection

applications and studies, as further described in Section 6 of Appendix A to this RFP. Further, bidders must describe how proposals would be affected if the Eligible Facility is connected to regionalized offshore transmission facilities.

- ii. All projects submitted by bidders must have filed an interconnection request with ISO-NE, seeking Capacity Network Resource service. The bidder must have a completed ISO-NE Feasibility Study, or a Cluster Enabling Transmission Upgrade Regional Planning Study (also known as a Cluster Resource Integration Study) as defined in Schedule 22, or a highly comprehensive and credible interconnection study performed by a third-party in accordance with the ISO-NE methodology and NCIS as defined by the ISO-NE Planning Procedure 5-6, that includes the proposed project prior to bid submission. Projects that have received their I.3.9 approval from ISO-NE must identify that approval and include such documentation in their proposal. Bidders may submit additional supporting third-party technical reports or interconnection studies, which should approximate the ISO-NE interconnection process, including but not limited to clear documentation of study technical and cost assumptions, reasoning, and justification of such assumptions. If any third-party studies contain CEII information, bidders should submit non-CEII summaries of such studies with the proposal, and provide the full documents upon Rhode Island Energy submitting documentation that recipients have appropriate CEII clearance. All technical reports or studies must use the current ISO-NE interconnection process and must also detail any assumptions with respect to projects that are ahead of the proposed project in the ISO-NE interconnection queue and any assumptions as to changes to the transmission system that differ from the current ISO-NE Regional System Plan.
- iii. Each proposal must include a commitment to interconnect to the ISO-NE PTF at a CCIS and NCIS level. Each proposal must include a commitment to complete the Forward Capacity Auction Qualification (“FCAQ”) process set forth in Section III.13.1 of Market Rule 1 of ISO-NE’s Transmission Markets and Services Tariff, and to meet all FCAQ requirements in order to establish its ability to interconnect at this level.
- iv. To the extent that ISO-NE studies have not yet been conducted to ascertain the network upgrades and other interconnection costs required to achieve such CCIS interconnection at the time of bidding, a bidder may include a preliminary non-binding overlapping impact study conducted by ISO-NE to identify the potential upgrades and associated costs that would be required by ISO-NE’s CCIS interconnection determination, or may identify such costs through relevant studies and analyses performed by them or their consultants that approximate the ISO-NE capacity interconnection process. These studies and their supporting documentation, assumptions and data must match closely ISO-NE study requirements for CCIS interconnection. Rhode Island Energy expects bidders to provide studies that are consistent with ISO-NE’s approach and that approximate what the ISO-NE results would be. Proposals with a Qualification Determination Notification (“QDN”) from ISO-NE for their proposed capacity amount and commitment period must include all QDN documentation in their proposal. All projects that do not have a QDN for their proposed capacity amount and commitment period must provide a study performed by ISO-NE or a third party in accordance with ISO-NE Planning Procedure 10 in order to prove ability to interconnect at the CCIS.
- v. Each Bidder’s proposal must include the ISO-NE FCA Wind Qualification Template spreadsheet to approximate the qualified capacity associated with its proposed project, and

if the bidder has not completed an ISO-NE preliminary non-binding overlapping impact study but has provided an equivalent third-party overlapping impact study, the bidder should include a description of how the ISO-NE FCA Wind Qualification Template spreadsheet was utilized in that analysis. The final amount of capacity will be determined under the FCAQ process. In addition, bidders are encouraged to provide any additional data, studies, or information on forecast methodologies they believe would facilitate analysis of their bids' Wind Qualification analysis.

- vi. To assist in identifying potential additional constraints on the project's deliverability, bidders must perform and provide an Informative Deliverability Study according to the criteria defined in Appendix F. This study is in addition to the required NCIS and CCIS studies discussed above. Its purpose is simply to identify system constraints under specified generation dispatch conditions, not to address the constraints with system upgrades or reductions in proposed delivery profile.

Bidders shall include a scenario analysis in their studies that shows how changes in the project interconnection queue could impact their interconnection costs using the current ISO-NE interconnection rules. Bidders are encouraged to include additional reports, analysis and studies that support their interconnection and deliverability.

2.2.3.5 Technical and Logistical Viability; Ability to Finance the Proposed Project

The bidder must demonstrate that the technology it proposes to use is technically viable and that the bidder has the ability to finance the proposed project. Technical viability may be demonstrated by showing that the technology is commercially available and has been used successfully. If a bidder plans to use technology that is not commercially proven, it must provide evidence that the technology is reasonably expected to be commercially available prior to the commencement of project construction, and it must provide a credible plan to finance the project in light of the state of development of the technology.

All bidders must provide a reasonable plan for financing the proposed project, including the funding of development costs and the required development period security and the ability to acquire the required equipment in the time frame proposed.¹¹ In addition, the financial plan should include critical details of the plan, such as the total project cost, projected annual spend, and debt-equity structure. All bidders must demonstrate the logistical viability of the project through a construction plan covering the necessary specialized equipment (e.g. vessels), applicable maritime law (e.g. the Jones Act), and local port facilities to complete project deployment.

¹¹ In order to ensure that the bidder uses viable technology and maintains that technology throughout the term of the PPA, the Draft Contract includes a requirement that a project's Real-Time High Operating Limit (as defined in the ISO-NE Rules) is at least 50 percent of its nameplate capacity, measured on a rolling two-year basis.

2.2.3.6 Experience

The bidder must demonstrate that it has a sufficient amount of relevant experience and expertise to successfully develop, finance, construct, operate and maintain its proposed project. This demonstration can be made by showing that the bidder (or a substantial member of the bidder's development team) has accomplished the following:

- Successful development and construction of a similar type of project; OR
- Successful development and construction of one or more projects of similar size or complexity or requiring similar skill sets; AND
- Experience successfully financing power generation projects and completing complex permitting processes and/or stakeholder engagement processes.

2.2.3.7 Environmental and Fisheries Mitigation Plan

The Environmental and Fisheries Mitigation Plan (EFMP) should detail, to the extent practical, the specific adverse fisheries impacts that are likely to result from the proposed Facility. The EFMP must include the following:

- A detailed characterization of the fisheries resources potentially impacted by the project, based on current data from the site or the region.
- A description of the potential adverse impacts to commercial and recreational fishing specific to the proposed location of the project, as well as measures or strategies that are designed primarily to avoid or minimize environmental impacts on commercial fisheries.
- A description of how the project will address navigation safety.
- A description of the approach to commercial fishing gear loss, including the incident-resolution process, claims management, and previous experience in this area. This description should include an agreement to report the number and value of claims submitted, number and value of claims paid, and a general description of each incident and resolution process in its quarterly Progress Reports using the best available data to assess impacts.
- A stakeholder engagement plan for fisheries, which includes identification of groups of stakeholders to be included, engagement goals and activities for each such group, and demonstrated evidence of past and current productive relationships with project stakeholders. The EFMP must describe how the bidder will work collaboratively with the state and federal agencies and other stakeholders.

The EFMP should provide a roadmap for the environmental and fisheries work to come and provide a degree of certainty that the Bidder is committed to working collaboratively with stakeholders to develop a cost-effective and environmentally responsible Project. In addition, the bidder must agree to the following:

A. *Site and Environmental Data Transparency.* Agreement to make publicly available any information or raw data and supporting metadata that is developed in furtherance of a Facility and relates to environmental characteristics, inclusive of natural and cultural resources, of any offshore, nearshore or onshore areas, as well as any raw data sponsored or developed by a successful bidder relating to the potential impacts of the construction, operation, or decommissioning of its Facility on the environment and wildlife of such areas.

B. *Fisheries Compensation.* Agreement to follow the guidance developed by the Bureau of Ocean Energy Management for the mitigation of impacts from offshore wind energy projects on commercial and recreational fishing communities.

C. *Noise Mitigation.* Agreement that the Project shall comply with environmental, navigation, and worker safety and applicable regulations, especially during times of poor visibility condition.

D. *Monitoring Acoustic Attenuation.* If using pile driving or other methods of installation that result in high underwater noise levels, agreement to monitor underwater acoustics during foundation installation in order to: (1) measure changes in sound pressure levels; (2) record sound levels in the water column and vibrations in the sediment; (3) detect particle motion; and (4) assess the effectiveness of a noise mitigation system to reduce underwater noise generated during pile installation. If a successful bidder is within six (6) months of submitting its Construction and Operation Plan, the bidder must agree to provide the Company a copy of their “Underwater Acoustic Monitoring Plan.” If a successful bidder has submitted its Construction and Operations Plan, the bidder must provide a copy of their “Underwater Acoustic Monitoring Plan” upon request. The plan should detail how data will be collected and made available as soon after collection as is practicable for use by third-parties. The “Underwater Acoustic Monitoring Plan” must include commitments to allow raw and metadata to be publicly available no more than six (6) months after installation completion.

E. *Regional Collaboration.* Agreement, if requested by the DEM or the Coastal Resources Management Council (“CRMC”), to participate in any multi-state or regional coordination and/or collaboration efforts.

Successful bidders will be required to negotiate and execute a contractual commitment (i.e., Memorandum of Understanding) with the DEM and/or CRMC before a final PPA is executed resulting from this solicitation. This Memorandum of Understanding shall include, at a minimum, the Bidders’ commitment to use avoidance and minimization measures, Best Management Practices and current industry standards as well as site and environmental data transparency requirements, and may include other commitments made by the bidder.

2.2.3.8 Diversity, Equity and Inclusion Plan

The Diversity, Equity and Inclusion Plan should describe the proposed strategy to actively

promote access to employment and contracting opportunities for, and to actively recruit, diverse workers, vendors, contractors, and investors, and include how the direct, specific and measurable employment and contracting benefits created by the proposed project provides employment and procurement/contracting opportunities for minorities, women, veterans, LGBT and persons with disabilities. A Diversity, Equity and Inclusion Plan must contain, at a minimum, a Workforce Diversity Plan, a Supplier Diversity Plan, and a DEI Stakeholder Engagement Plan.

The Workforce Diversity Plan should include descriptions of each type, duration, and salary bands of the employment created, as well as identify the recruitment efforts aimed at hiring diverse candidates for these employment opportunities. This plan should include goals for Workforce Diversity, as well as a plan for monitoring success against these goals, how the metrics will be calculated, how often they will be calculated and reported, and a process for improving the process over time if goals are not met. If a significant portion of the labor force will be sub-contracted, the plan should be inclusive of sub-contractors.

The Supplier Diversity Program should include descriptions of the subcontracting, vendor, investor, and ancillary (operational) business opportunities that will be provided by diverse businesses, as well as identify the efforts aimed at engaging diverse candidates for these opportunities. This plan should include a form of expenditure goals for Supplier Diversity, as well as a plan for monitoring success against these goals, how the metrics will be calculated, how often the metrics will be calculated and reported, and a process for improving the process over time if goals are not met.

The DEI Stakeholder Engagement Plan considers how the bidder will engage with project stakeholders. It includes an identification of groups of stakeholders to be included (e.g. tribal communities, economically-disadvantaged communities, environmental justice advocates, and fishing communities), project impacts on each stakeholder and associated mitigation plans, and engagement goals and activities for each group. It also should include a description of community partnerships and evidence of past and current stakeholder engagement.

Successful bidders will be required to negotiate and execute a legally binding contractual commitment with the applicable government entity or entities of the State of Rhode Island (i.e., likely in the form of a Memorandum of Understanding) for any specific commitments to economic benefits (e.g. specific grants or specific commitments to industries), diversity, equity and inclusion benefits and environmental justice benefits that are included in the proposal but not reflected in agreements at the time of bidding to ensure that the economic benefits are actually obtained and tracked. The contractual commitment will be required before a final PPA is executed.

2.2.3.9 Security Requirements

Bidders will be required to post Development Period Security and Operating Period Security. The required level of Development Period Security is \$80,000 multiplied by the Contract Maximum Amount (as defined in the Draft Contract, Appendix C). One-hundred percent (100%) of the Development Period Security must be provided upon execution of the PPA. Any posted Development Period Security will be promptly returned if the PUC does not approve the

PPA. Once a project achieves Commercial Operation, the amount of required security (Operating Period Security) will be \$40,000 multiplied by the Contract Maximum Amount (as defined in the Draft Contract, Appendix C).

Additional Development Period Security may be provided by a bidder in order to extend “Critical Milestone Dates,” in the PPA. Those Critical Milestones include: receipt of all permits for construction of the facility; acquisition of all real property rights required for construction, operation and interconnection of the facility; closing of financing and achievement of the commercial operation date. Any additional Development Period Security provided to effect those extensions will be returned to the bidder upon the achievement of the commercial operation date under the PPA.

The required security must be in the form of a letter of credit, either hard copy or electronic copy, as required in the Draft Contract. The letter of credit must have an Evergreen clause, and the creditor must have a credit rating that is investment-grade. Rhode Island Energy may accept a lower credit rating, at its own discretion.

2.2.3.10 Additional Requirement

Each proposal should include an explanation of how it advances the objectives of achieving a reliable, clean energy future that is consistent with meeting regional greenhouse gas reduction goals as established by the 2021 Act on Climate.¹²

2.2.3.11 Commercially Reasonable Standard

Under ACES, any voluntary procurement pursuant to R.I. Gen. Laws § 39-31-5 must be commercially reasonable. In the Report and Order in PUC Docket No. 4929 issued June 7, 2019, the PUC found that the Revolution Wind Offshore Wind Power Purchase Agreement was commercially reasonable because: (i) the terms and pricing were reasonably consistent with what an experienced power market analyst would expect to see in transactions involving regional energy resources and regional energy infrastructure; (ii) the project had a credible commercial operation date; and (iii) the benefits to Rhode Island, including the total energy security, reliability, environmental and economic benefits to the State of Rhode Island and its ratepayers, were likely to exceed the cost of the project. Consistent with that Report and Order, Rhode Island Energy will consider both the pricing schedule and non-price benefits in an initial assessment of whether a proposal is commercially reasonable.

2.2.3.12 Timeliness

The bid submitted must be timely submitted, in accordance with Sections 3.1 and 3.5 below.

¹² The Commission may evaluate whether the contract is consistent with achievement of the state’s greenhouse gas reduction targets as specified in the 2021 Act on Climate.

2.2.4 Other Minimum Requirements

Other RFP requirements pertain to bid certification, allowable pricing and bid completeness, as described in this section.

2.2.4.1 Proposal Certification

Bidders are required to provide firm pricing for 240 days from the date of bid submission. The bidder must also sign the certification form in Appendix A verifying that the prices, terms and conditions of the proposal are valid for at least 240 days. An officer or duly authorized representative of the bidder is required to sign the Proposal Certification Form.

2.2.4.2 Pricing

2.2.4.2.1 Allowable Forms of Pricing:

All bidders must provide a fixed price (Fixed Pricing) with separate pricing for energy (\$/MWh) and RECs (\$/REC) for the term of the contract for each physical proposal.

There are two alternative, conforming forms of pricing that bidders may, but are not required to, submit for energy and RECs (in \$/MWh and \$/REC, respectively). All pricing for energy and RECs must align with the market values of those products.

The first alternative, conforming form of pricing (Fixed Escalator Pricing) allows the bidder to state a price for energy and RECs for the first year of commercial operation (in \$/MWh and \$/REC, respectively), and propose those rates change by a fixed rate for the term of the contract (e.g., a 2% increase or decrease per year); or by different fixed rates for various periods of the contract (e.g., after the first year, a 3% change per year for the following 5 years, and then a 2% change per year for the next 5 years, etc.), so long as the maximum change per year does not exceed 3%.

The second alternative, conforming form of pricing allows the bidder to state a price for energy and RECs at the time of power purchase agreement (PPA) contract execution, and allow that price to increase or decrease per the CUUR0000SA0 inflationary index according to the below equation until either the project has reached its Financial Closing Date (FCD) or until the originally agreed upon Financial Closing Date critical milestone in the executed PPA, whichever is sooner (Inflation-Adjusted Pricing).

$$\begin{aligned} \text{Price of Energy at COD} &= \text{Price of Energy at PPA} * \text{MIN}\left[\frac{CPI_{FCD}}{CPI_{PPA}}, 1.16\right] \\ \text{Price of RECs at COD} &= \text{Price of RECs at PPA} * \text{MIN}\left[\frac{CPI_{FCD}}{CPI_{PPA}}, 1.16\right] \end{aligned}$$

Where:

Price of Energy at PPA = a nominal price for energy at the time of PPA contract execution

Price of Energy at COD = a nominal price for energy at the time of COD, which is the Price of Energy at PPA with a one-time inflationary adjustment described above, with a maximum inflationary adjustment of 16%

Price of RECs at PPA = a nominal price for RECs at the time of PPA contract execution

Price of RECs at COD = a nominal price for RECs at the time of COD, which is the Price of RECs at PPA with a one-time inflationary adjustment described above, with a maximum inflationary adjustment of 16%

CPI_{PPA} = The most recent Consumer Price Index published at the time of PPA contract execution. Source: All items in U.S. city average, all urban consumers, not seasonally adjusted– CUUR0000SA0¹³

CPI_{FCD} = The most recent Consumer Price Index published at either the Financial Closing Date or the originally agreed upon Financial Closing Date critical milestone in the executed PPA, whichever is sooner. Source: All items in U.S. city average, all urban consumers, not seasonally adjusted– CUUR0000SA0¹⁴

The maximum, one-time inflationary adjustment is 16%. After the inflationary adjustment period, the bidder has the option to fix the price for energy (\$/MWh) and RECs (\$/REC) for the remainder of the contract, or propose those rates change by a fixed rate of the term of the contract, with a maximum change per year of 3%.

2.2.4.2.2 U.S. DOE Grid Innovation Program Pricing Variation

The MA DOER has submitted, individually and in coordination with other states, Concept Paper proposals for transmission and distribution system upgrades to the U.S. Department of Energy’s (“U.S. DOE”) Grid Innovation Program (“GIP”), which is outlined in Section 40103(b) of the 2021 Bipartisan Infrastructure Law. These projects may include transmission system upgrades that would impact the interconnection capacity in Massachusetts for offshore wind projects. If any projects submitted by MA DOER to the GIP are selected for a funding award by the U.S. DOE, and these upgrades would lead to a reduction in capital expenditure by the bidder, the amount paid for energy and/or RECs under the PPA will be reduced to reflect that.

If the bidder already includes upgrades in its bid that may be funded by a U.S. DOE GIP submission and no physical change to the proposal would be required for the bidder to take advantage of the U.S. DOE GIP funding, the bidder must provide a GIP-Pricing Variation of at least the Fixed Pricing bid, which reflects the bidder’s decreased capital costs. This will be treated as an additional pricing offer, as it pertains to the non-refundable bid fees.

If the bidder would require physical changes to their proposal to take advantage of U.S. DOE GIP

¹³ U.S. Bureau of Labor Statistics. All items in U.S. city average, all urban consumers, not seasonally adjusted. CUUR0000SA0. URL: <https://data.bls.gov/timeseries/CUUR0000SA0>

¹⁴ U.S. Bureau of Labor Statistics. All items in U.S. city average, all urban consumers, not seasonally adjusted. CUUR0000SA0. URL: <https://data.bls.gov/timeseries/CUUR0000SA0>

funding, and would like to submit a GIP-Pricing Variation, they must follow the requirements of Section 6 of Appendix A to this RFP, and must provide a GIP-Pricing Variation of at least the Fixed Pricing bid, which reflects the bidder's decreased capital costs. This will be treated as an additional physical proposal, as it pertains to the non-refundable bid fees.

2.2.4.2.3 Additional Pricing Conditions:

All proposals must also conform to the following pricing conditions:

(a) Proposed prices must be firm, or follow the Inflation-Adjusted Pricing methodology and requirements above, and may not be subject to increase based upon the availability or receipt of any federal or state tax credit or other government grant or subsidy.

(b) Bidders must address how they would consider Rhode Island Energy 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. If a bidder assumes that such credits, subsidies, grants or incentives will not be available for its Eligible Facility, it should state how it would propose to share the benefits of those credits, subsidies, grants or incentives with Rhode Island Energy's customers if they subsequently become available. Bidders may propose adjustments to the contract price based on an increase in any state or federal tax credit or other government grant or subsidy.

(c) Pricing should incorporate a price adjustment if the generation ceases to conform to R.I. Gen. Laws § 39-26-5 (e.g., in the event of non-conformity, Rhode Island Energy may determine to only purchase the electric energy under that PPA and the seller will be permitted to sell the non-conforming RECs to a third party); and

(d) Pricing must adjust payment to compensate Rhode Island Energy for any energy delivered at negative market clearing prices at the delivery node. In the event that the applicable Real-Time or Day-Ahead Locational Marginal Price ("LMP") for the Energy at the delivery point is less than \$0.00 per MWh in any hour, the PPA price for Energy purchased during that hour will be reduced by the amount by which that LMP is below \$0.00/MWh.

Examples:

If Delivered Energy equals 1 MWh and Contract Price equals \$50.00/MWh:

Hourly LMP at the delivery point equals (or is greater than) \$0.00/MWh:

Buyer payment of Price to Seller = \$50/MWh

Seller credit/reimbursement for negative LMP to Buyer = \$0.00

Net Result: Buyer pays Seller \$50/MWh for that hour

Hourly LMP at the delivery point equals -\$150.00/MWh:

Buyer payment of Price to Seller = \$50.00/MWh

Seller credit/reimbursement for negative LMP to Buyer = \$150/MWh
Net Result: Seller credits or reimburses Buyer: \$150/MWh - \$50/MWh = \$100/MWh for that hour

The seller may, but is not required to, deliver energy to Rhode Island Energy in the event that the LMP is negative, as detailed in the Draft Contract.

2.2.4.2.4 Non-Conforming Pricing:

Rhode Island Energy may consider other forms of pricing as an alternative, as long as the bidder submits a proposal for the project with conforming pricing and the required bid fee for each pricing proposal. Alternative (i.e., non-conforming) pricing may be considered subject to the following conditions:

- Any pricing formula must be symmetrical. In other words, if an index is used, prices must be allowed to increase or decrease in a symmetrical manner relative to a base price, and;
- There must be a price cap for each year under the proposed contract.

Rhode Island Energy encourages bidders to provide alternative pricing that includes both an inflation and interest rate index, for our consideration. In addition, Rhode Island Energy may consider alternative pricing utilized by Bidder in a proposal in response to any ongoing solicitation for offshore wind in New England issued by another state for the same Eligible Facility provided that such pricing has a positive or neutral impact on the Company's ratepayers.

Rhode Island Energy is under no obligation to accept any proposal, including without limitation any proposal with any form of alternative, non-conforming pricing.

Rhode Island Energy may request a clause in the PPA that will provide Rhode Island Energy with an option to require the Seller to negotiate an agreement for Rhode Island Energy to purchase its Percentage Entitlement of the RECs produced by the Facility for additional one-year terms after the expiration of the PPA. The price of the RECs will be the then market price for RECs. If the Seller wants to sell the RECs for a term greater than one year, Rhode Island Energy will have the right to match the price and other terms obtained by the Seller. If this agreement is entered into, it may be subject to PUC approval.

With respect to any pricing proposal, payments will only be made for Eligible Products delivered to Rhode Island Energy's ISO-NE and NEPOOL GIS accounts as agreed in the PPA.

2.2.4.3 Bid Completeness: Bidder Response Forms and Draft Contract

Bidders must use the forms provided in Appendix A and provide complete responses in each section. Appendix A contains the Bidder Response Forms, which outline the information required from each bidder. Bidders may submit an application that was designed for the Massachusetts Request for Proposals for Long-Term Contracts for Offshore Wind Energy

Projects, issuance date August 30, 2023, pursuant to Section 83C of Chapter 169 of the Acts of 2008 as amended by the Energy Diversity Act and the Act Driving Clean Energy and Offshore Wind (“MA OSW RFP”) or the Connecticut Request for Proposals for Offshore Wind Facilities, that may be issued in the fourth quarter of 2023, pursuant to Section 16a-3n of the General Statutes of Connecticut (“CT OSW RFP”), provided that the bidder also fills out Appendix A to this RFP completely. The bidder may respond to the requirements of Appendix A to this RFP by referencing the document, section number, and page number of their response to the MA OSW RFP or the CT OSW RFP, if applicable. If the Appendix A requirement is Rhode Island-specific, (e.g., Rhode Island-specific commitments to economic development), the bidder must provide an original response that addresses such Rhode Island-specific commitments. Bidders that submit a multi-state proposal must submit both Appendix A to this RFP and the Multi-State Bid Form, as well as any other required documents, and must comply with the requirements of this RFP. If any of the information requested is inconsistent with the type of technology or product proposed, the Bidder should include “N/A” and describe the basis for this designation. If a bidder does not have the information requested in the bid forms and cannot obtain access to that information prior to the bid submittal due date, the bidder should provide an appropriate explanation.

Appendix C to this RFP is the form of the Draft Contract being used in this solicitation. A bidder must include a marked version showing any proposed changes to the Draft Contract with its proposal. Any changes to Appendix C noted in the bid but not marked in the Draft Contract will not be considered by Rhode Island Energy. All changes in the marked version of Appendix C must state the specific contract language requested in the contract and may not refer back to the bid or provide a general statement describing the change. Rhode Island Energy will presume that bidders are willing to execute the marked-up contracts included in their proposals; however selection of a bidder does not constitute acceptance of any proposed edits in the marked-up Draft Contract. If a Bidder fails to include a marked version of the Draft Contract, Rhode Island Energy will presume that bidder is willing to execute the Draft Contract in the form attached. Any exceptions taken in the Draft Contract to threshold and/or eligibility requirements may result in a proposal being rejected. Bidders should submit any proposed changes to the Commitment Agreement or affirm its willingness to accept the draft agreement as is. Bidders are discouraged from proposing material changes to the Draft Contract and the Commitment Agreement. The redlines provided by bidders to the Draft Contract and Commitment Agreement will be reviewed in Stage 1, and be considered and discussed in Stage 3.

2.2.4.4 Commitment Agreement

All successful bidders will be required to execute a Commitment Agreement, included as Appendix E of this RFP, at the time of contract execution. This agreement includes a commitment that, in the event future third-party offshore wind developers request interconnection service on the bidder’s Interconnection Customer Interconnection Facilities (“ICIF”), the bidder will negotiate in good faith and use commercially reasonable best efforts to enter into a voluntary agreement with such third-party offshore wind developers regarding interconnection to and expansion of such ICIF to accommodate the third-party offshore wind developer’s request. In addition, the Commitment Agreement includes a commitment that, in the event regionalized offshore transmission facilities become available to the bidder prior to the Commercial Operation Date for its Facility, the bidder will use commercially reasonable efforts

to negotiate a transmission service agreement with the owner of those transmission facilities. Such a voluntary agreement must incorporate study, interconnection, delivery service and other provisions at least as favorable to said third-party offshore wind developers as the provisions of ISO-NE OATT Schedules 22 and 23 applicable to requests of service thereafter.¹⁵

2.2.4.5 Non-Refundable Bid Fees

Each proposal must be accompanied by a non-refundable bid fee, which will be used to offset the costs of evaluation of the proposals by Rhode Island Energy and to cover the reasonable invoiced costs of consultants and counsel that may be hired by the OER, the Division, the Rhode Island Commerce Corporation, and/or the Rhode Island Department of Environmental Management (“DEM”), in an amount up to \$200,000 per agency. R.I. Gen. Laws § 39-31-12. The minimum bid fee is \$600,000. This bid fee includes one pricing offer. If there are changes to any physical aspect of a project, including but not limited to project size, production/delivery profile, in- service date, or delivery location, an additional \$150,000 bid fee per requested change will be required. Each additional pricing offer for the same project, including those with contingent bids, will cost an additional fixed fee of \$50,000.

Bid fees must be sent to Rhode Island Energy. Instructions will be sent upon request to bidders who contact the Official Contact listed in Section 3.5. Bid fees must be received by Rhode Island Energy no later than the final date for the submission of proposals. Proposals that are submitted without a bid fee will not be considered or reviewed. Before submitting proposals and bid fees, bidders are strongly encouraged to verify that the proposal and documentation meets all requirements of this RFP. Submission of a bid fee does not obligate Rhode Island Energy to select a project.

2.3 Stage Two – Price and Non-Price Analysis

As the first step of Stage Two, bids that pass the eligibility and threshold review in Stage One will be evaluated on price and non-price criteria. The results of the price and non-price analysis will be a relative ranking and scoring of proposals. Stage Two scoring will be based on a 100-point scale. Rhode Island Energy plans to weigh price-related factors at seventy percent (70%) and non-price factors at thirty percent (30%) for purposes of conducting the evaluation. The

¹⁵ As utilized in this RFP, “Voluntary Agreement” means a voluntary agreement as contemplated in FERC Order No. 807, 150 FERC ¶ 61,211 (2015), at PP 117-18 providing interconnection and/or delivery service to a Third Party Offshore Wind Developer without the need for a FERC order under Sections 210, 211, and 212 of the Federal Power Act (“FPA”). For the avoidance of uncertainty, note that the RFP does not require a bidder to waive any other rights under Order No. 807, including with respect to excess or unused capacity on its ICIF as initially constructed, such as those reserved by FERC regulations at 18 CFR §§ 35.28(d)(2)(ii)(A)-(B). Rather, the RFP requires only that a bidder pursue a voluntary agreement as discussed in FERC Order No. 807 at PP 117-118 if a third party requests studies and potential expansion of the bidder’s ICIF to accommodate third party interconnection without the need for said third party to pursue its rights in the first instance via FPA Sections 210, 211, and 212. Such commitment to enter into a Voluntary Agreement (see the Commitment Agreement included as Appendix E hereto)) ultimately executed between the winning bidder and the Distribution Companies, as well as any future Voluntary Agreements shall be filed with FERC for acceptance pursuant to FPA Section 205.

increase for non-price factors from twenty-five percent (25%) in the 2022 Rhode Island Request for Proposal for Long-Term Contracts for Offshore Wind to thirty percent (30%) in this RFP reflects an increased emphasis on project viability, in particular.

2.3.1 Evaluation Using Price-Related Evaluation Criteria

Bids will be evaluated on their direct and indirect economic and environmental costs and benefits as detailed in the following sections. The metric used will be net \$/MWH cost or benefit.

2.3.1.1 Direct Contract Costs & Benefits

Bids will be evaluated on direct contract price costs and benefits. Direct contract price costs and benefits for evaluation may include, but are not limited to:

- i. A mark-to-market comparison of the total contract cost of the energy bid to projected market prices at the delivery point with the project in-service; and
- ii. A comparison of the total contract cost of RECs bid to the avoided cost, with the project not in-service if the RECs are to be used for RES compliance by Rhode Island Energy, and their projected market prices with the project in-service if the RECs are projected to be sold.

2.3.1.2 Indirect Costs & Benefits

The price evaluation will include an evaluation of additional economic and environmental costs and benefits, which may include, but may not be limited to:

- i. The impacts of changes in LMP paid by ratepayers in the state of Rhode Island, including if applicable the LMP impact to Rhode Island related to the portion of the Eligible Facility that would be procured by other states, without which the Eligible Facility would not be viable;
- ii. The impact on RES compliance costs paid by ratepayers in the state of Rhode Island, including if applicable the RES impact to Rhode Island related to the portion of the Eligible Facility that would be procured by other states, without which the Eligible Facility would not be viable;
- iii. Consistency with the achievement of the state's greenhouse gas reduction targets as specified in the 2021 Act on Climate;
- iv. Indirect impacts, if any and to the extent Rhode Island Energy determines such impacts are reliably quantifiable, for retail ratepayers on the capacity or ancillary services market prices with the proposed project in service; and
- v. The impact on contributing to reducing winter electricity price spikes.

2.3.1.3 Price Evaluation Metrics

The reference case system topology will be based on the most recent ISO-NE Capacity, Energy, Load and Transmission (“CELT”) report. The evaluation process will include an evaluation of benefits using the output from an electric market simulation model or models.

Rhode Island Energy plans to use real levelized net \$/MWh as the metric for the price evaluation. The discount rate to be used in the evaluation will be equal to the Company’s weighted average cost of capital at the time of the evaluation.

The production/delivery profile provided by the bidder will be evaluated for reasonableness. Rhode Island Energy reserves the right to adjust any bidder production/delivery profile in order to produce a reasonable and appropriate evaluation. The bidder is responsible for providing support for the underlying assumptions. Each bidder will be responsible for all costs associated with interconnecting its project to the transmission grid or, if applicable, local distribution facilities.

Proposals will be ranked from highest to lowest present value of net benefit (or lowest to highest present value of net cost) on a dollars per MWh basis based on the result derived through the application of the methodology described above.

2.3.2 Other Direct Economic Benefits to the State of Rhode Island

All approved projects must provide specific and measurable economic benefits to the State of Rhode Island. The Company will evaluate a project’s estimated effect on LMPs and REC market prices in the price analysis of Stage Two, as described above. All other economic benefits will be evaluated in the non-price analysis of Stage Two and must be specific and measurable and supported by documentation in order to assess the credibility of the proposed commitments. Bidders must provide annualized estimates for all economic benefits and identify the specific in-state expenditures and employment proposed during the development, construction and operation and maintenance phases of the project. Rhode Island Energy will conduct an analysis of the value of the respective economic benefits to the State of Rhode Island in relation to the cost and may ask the State of Rhode Island, including but not limited to, the Rhode Island Commerce Corporation, to review any proposed economic benefits to assist in this analysis.

Successful bidders will be required to negotiate and execute a legally binding contractual commitment with the applicable government entity or entities of the State of Rhode Island (i.e., likely in the form of a Memorandum of Understanding) for any specific commitments to economic benefits (e.g. specific grants or specific commitments to industries), diversity, equity and inclusion benefits, EFMP benefits, and environmental justice benefits that are included in the proposal but not reflected in agreements at the time of bidding to ensure that the economic benefits are actually obtained and tracked. The contractual commitment will be required before a final PPA is executed.

2.3.3 Non-Price Evaluation

The non-price evaluation will consist of: (1) site status; (2) permits and approvals; (3)

environmental characterization and mitigation; (4) interconnection and transmission; (5) critical path schedule; (6) economic benefits to the state of Rhode Island. Within each category are a number of related criteria that will be considered in the evaluation. This section of the RFP will identify and describe in more detail the individual criteria within each primary category.

2.3.3.1 Purpose of Non-Price Evaluation Criteria

The non-price evaluation criteria, other than the economic benefits to the State of Rhode Island, are designed to assess the likelihood of a project coming to fruition based on various factors critical to successful project development, as well as the project's compliance with the ACES. The objectives of the criteria are to provide an indication of the feasibility and viability of each project and the likelihood of meeting the proposed commercial operation date. Proposals are preferred that can demonstrate, based on the current status of project development and past experience, that the project will likely be successfully developed and operated as proposed and in compliance with this RFP and ACES.

2.3.3.2 Factors to be Assessed in Non-Price Evaluation

Within each of the non-price evaluation factors, a variety of project and proposal-related factors will be assessed. The Project Viability Factors, which include Site Status, Permits and Approvals, Environmental Characterization and Mitigation, Interconnection and Transmission, and Critical Path Schedule, shall be worth 24 points, and the Economic Benefits to the State of Rhode Island shall be worth 6 points. They are summarized as follows:

- **Site Status**
 - Likelihood of access to onshore and offshore control rights for the Offshore Delivery Facilities.
 - Identification of all necessary real property rights, and description as to which have been obtained and how the bidder plans on obtaining the remainder.
 - Identification of existing zoning of onshore land required for the project, and a detailed description as to where existing zoning requires a variance.
 - Detailed description of how environmental resource areas and public lands/uses were assessed in the local area, and how the onshore site locations selected took these topics into consideration.
- **Permits and Approvals**
 - Identification of required permits and approvals, and detailed description as to which have been obtained, what work has been completed so far, and how the bidder plans on obtaining the remainder.
 - Identification of key stakeholders, credibility of Stakeholder Engagement Plan, and demonstration of past and current stakeholder engagement activities related to this project.
 - Demonstration of local support for this project from a variety of stakeholders including environmental groups and local communities.
 - Description of strategy for addressing dissent from stakeholders on this project, and examples of how the bidder has addressed it in the past on other projects.
- **Environmental Characterization and Mitigation**
 - Comprehensiveness of Environmental Characterization, which should include a

thorough review of the environmental characteristics of both the offshore and onshore areas impacted by the project, including the alternative routes proposed if site control has not been acquired for all real property rights, and provides a review of those areas for natural or cultural resource sensitivity with a description of how the determination was made.

- Identification of specific adverse impacts, and detailed description of how the bidder plans to avoid, minimize, or mitigate those impacts on the environmental and environmental justice communities.
- **Interconnection and Transmission**
 - Credibility and detail of transmission and interconnection plan, which should describe how the bidder plans to design and operate the transmission and interconnection facilities.
 - Progress made on ISO-NE interconnection studies.
 - Identification of cumulative cost and risk of interconnection network upgrades caused by or required by earlier queued projects with the same or related interconnection point as the proposed project, and description of how the bidder plans on addressing the risk that network upgrade costs may be higher than projected.
- **Critical Path Schedule**
 - Detail, credibility, and progress made on critical path schedule elements listed in Section 2.2.3.2 of this RFP, supported by documentation and information that shows the progress made towards meeting the various project milestones.
 - Identification of all significant project risks and how the bidder plans on mitigating those risks.
- **Economic Benefits to the State of Rhode Island**
 - Value of commitments to in-state employment, expenditures, and investments from the development, construction, and operation of the project, and documentation provided for each commitment that provides assurance that the value of the commitment will be realized if the project is selected, as necessary.
 - Examples of supporting documentation include, but are not limited to, a Memorandum of Understanding or Letter of Intent.
 - Examples of economic spend that are of value include:
 - In-state employment commitments,
 - Investments or commitments in DEI,
 - Investments in EFMP including biodiversity and fisheries compensation plans,
 - Investments in workforce development such as pre-apprenticeship and apprenticeship programs, offshore wind training, etc.
 - Investments in supply chain improvements to support the offshore wind industry,
 - Investments in port facilities and infrastructure,
 - Investments in offshore wind-related research, monitoring, and mitigation, especially if sponsored by the DEM and/or the Rhode Island Coastal Resource Management Council,
 - Investments in ongoing science and data collection to improve environmental, wildlife, and fisheries performance, and
 - Investments to benefit low-income ratepayers.

In completing the Economic Development Summary Spreadsheet as part of the Bidder Response Form in Appendix A, bidders should include reference to direct employment (in full-time equivalent (FTE) positions), wage-related expenditures, project-related expenditures and investments (each in nominal dollars) per year in the required summary of annualized economic benefits. The in-state commitments listed above should be included in this spreadsheet.

Rhode Island Energy may provide information provided by the bidder such as economic benefits to the State of Rhode Island, environmental assessment, and/or other information for review by the appropriate Rhode Island state agency (for example, Rhode Island Commerce Corporation, the OER, the Division and/or the DEM).

2.4 Stage Three –Portfolio Analysis

Stage Three involves a further review¹⁶ of the bids in order to select the proposal or portfolio that provides the greatest value consistent with the stated objectives and requirements as set forth in this RFP. However, Rhode Island Energy is under no obligation to proceed beyond Stage Two if bids do not meet the eligibility or threshold requirements. In Stage Three, Rhode Island Energy will consider and weight at its discretion the following factors:

- Ranking in Stage Two;
- Commercial reasonableness of the bid(s);
- Risk associated with project viability of the bid(s) or any proposed changes to the Draft Contract provided by the developer;
- Contingent bids;
- Customer bill impacts;
- The extent to which the project would satisfy the goals of the ACES;
- A comparison to a reasonable range of data and analyses on expected offshore wind prices, industry costs, and the anticipated cost impact of future technologies as compared to procuring offshore wind in this solicitation;
- The extent to which the bid would create additional economic and environmental benefits within Rhode Island; and
- Portfolio effect: the overall impact of any combination of proposals.

Stage Three uses Stage Two as a guide and provides for a reasonable degree of considered judgment based on criteria specified in this RFP, which will provide greater assurance that the RFP will lead to successful results.

The objective of Stage Three is to select the proposal or portfolio of proposal(s) that provide the

¹⁶ In connection with this review, and in evaluation of the pricing, a bidder may be asked to provide pro forma income and cash flow statements for the term of the proposed PPA (including revenue and cost data by major categories, debt service, depreciation expense and other relevant information).

greatest value consistent with the stated objectives and requirements as set forth in the RFP. Generally, Rhode Island Energy prefers viable projects that provide low cost offshore wind energy with limited risk. However, it is recognized that any particular project may not be ranked highly with respect to all of these considerations and the extent to which the stated RFP objectives will be satisfied will depend, in large part, on the particulars of the proposals that are submitted. Rhode Island Energy may perform sensitivity analyses as part of the Stage Three Evaluation. Based on the results of Stage Three, one or more projects will be conditionally selected for contract negotiations, if appropriate.

2.5 Contract Negotiation Process

Any bidders conditionally selected for negotiations by Rhode Island Energy will be required to indicate in writing whether they intend to proceed with their proposals within five business days of being notified. Bidders must be able to begin negotiations immediately upon that notification, including the resolution of any conflicts that their selected counsel may have with Rhode Island Energy. If negotiations are not successful within a reasonable period of time, Rhode Island Energy may terminate a project's conditional selection.

As part of the contract negotiation process, the bidder must commit to enter into a labor peace agreement with at least one bona fide labor organization either where such bona fide labor organization is actively representing employees providing necessary construction, operations and maintenance services for the project at the time of such agreement or upon notice from a bona fide labor organization that is attempting to represent employees who will provide necessary operations and maintenance services for the renewable energy system employed in the state or the region. The maintenance of such labor peace agreement will be an ongoing material condition of any continuation of payments under the PPA. Bidders must also commit to pay each construction, operations and maintenance employee wages and benefits that are not less than the prevailing wage and fringe benefit rates at the journeyman level that are prescribed by the Rhode Island Department of Labor and Training, or other applicable laws, rules or regulations in the state or region and not less than the prevailing wage rates for employees for which there is no classification prescribed by the Rhode Island Department of Labor and Training, or other applicable laws, rules or regulations in the state or region. And, in the case of apprentices, bidders must commit to pay benefits and wages not less than the rate applicable to apprentices for the pertinent classification prescribed by the Rhode Island Department of Labor and Training, or other applicable laws, rules or regulations in the state or region, if the worker is a participant in an approved apprenticeship program and the approved apprenticeship program maintains a direct entry agreement with a certified pre-apprenticeship training program.

2.6 Regulatory Approval

If Rhode Island Energy executes any PPA as a result of this RFP process, such PPA(s) will be filed with the PUC for review and approval. After Rhode Island Energy files the PPA(s), the PUC will accept comments on the PPA(s) for at least 30 days after the filing.¹⁷ During that comment period, DEM will provide an advisory opinion on the expected greenhouse gas

¹⁷ See R.I. Gen. Laws § 39-31-6(a)(1)(vi).

emissions and statewide environmental impacts resulting from the PPA, including a determination as to whether the proposed project(s) advance the goals of the 2021 Act on Climate; the Rhode Island Commerce Corporation will provide an advisory opinion on the expected statewide economic impacts resulting from the proposed PPA(s); and OER will provide an advisory opinion on the expected energy security, reliability, environmental and economic impacts from the proposed PPA(s).¹⁸ The PUC will hold public hearings and issue a written order approving or rejecting the PPA within approximately 120 days of the filing.¹⁹

The PUC will approve the PPA(s) if it determines that:

- (1) the PPA(s) is/are commercially reasonable;
- (2) the requirements for the solicitation have been met;
- (3) the PPA(s) is/are consistent with the state's greenhouse gas reduction targets as specified in the 2021 Act on Climate; and
- (4) the PPA(s) is/are consistent with the purposes of the ACES.²⁰

In addition to the criteria for approval outlined above, for any PPA that results from this solicitation, the Company currently intends to seek Regulatory Approval that includes authority to recover reasonable net costs incurred to solicit, evaluate and seek approval of the PPA and reasonable net costs incurred under the PPA once approved by the Commission, pursuant to R.I. Gen. Laws §§ 39-31-7(a)(5) and/or 39-31-7(a)(6). The Regulatory Approval must be final and non-appealable and acceptable to Rhode Island Energy in its sole discretion. Moreover, if Regulatory Approval is obtained sufficient to result in implementation of the PPA, but the PUC determines post-approval that the Company may not recover the net costs of the PPA going forward, the Company's obligations to purchase energy and associated RECs pursuant to the PPA will cease, and the PPA will automatically terminate without any required action by the Company once such determination is final and non-appealable.

Rhode Island Energy is not obligated to execute any PPA on terms which it reasonably believes to be commercially unreasonable. Each long-term contract shall contain a condition that it shall not be effective without PUC review and approval. R.I. Gen. Laws § 39-31-6(a)(1)(iii).

3.0 Instructions to Bidders

3.1 Schedule for the Bidding Process

The proposed schedule for the bidding process is set forth below. Rhode Island Energy reserves the right to revise the schedule as necessary. Any changes to the schedule will be posted on the website for this RFP.

¹⁸ See R.I. Gen. Laws § 39-31-6(a)(1)(vi)(A)(I) through (III).

¹⁹ See R.I. Gen. Laws § 39-31-6(b). If the PUC rejects a contract, it may advise the parties of the reason for the contract being rejected and direct the parties to attempt to address the reasons for rejection in a revised contract within a specified period not to exceed 90 days. R.I. Gen. Laws § 39-31-6(b).

²⁰ R.I. Gen. Laws §§ 39-31-6(a)(1)(vii)(A) through (D).

Event	Anticipated Dates
Issue RFP	October 13, 2023
Bidders Conference	November 8, 2023
Deadline for Submission of Questions	November 30, 2023
Due Date for Submission of Proposals	March 27, 2024 12PM Eastern Prevailing Time
Review of Bids with Rhode Island OER and Division	April 3, 2024
Conditional selection of Bidder(s) for negotiation	September 6, 2024
Negotiate and Execute Contracts	January 15, 2025 <u>March 31, 2025</u>
Submit Contracts for PUC Approval	February 25, 2025 <u>May 9, 2025</u>

3.2 Bidders' Conference; Bidder Questions

A Bidders' Conference will be held for interested persons approximately three (3) weeks from the date of this RFP issuance, and notice will be posted on the RFP website. (See Section 3.6 below). The purpose of the Bidders' Conference is to provide the opportunity to clarify any aspects of the RFP. Prospective bidders may submit questions about the RFP prior to the Bidders' Conference. Rhode Island Energy will attempt to answer questions submitted prior to and during the Bidders' Conference. Although Rhode Island Energy may respond orally to questions posed at the Bidders' Conference, only written answers that are provided in response to written questions will be official responses.

Rhode Island Energy will also accept written questions pertaining to the RFP following the Bidders' Conference up to the date provided in Section 3.1 above. Rhode Island Energy will make best efforts to respond to written questions received after the deadline provided in Section 3.1, but is not obligated to do so. Both the questions and the written responses will be posted on the Rhode Island Energy website (without identifying the person that asked the question).

It is the bidder's responsibility to check the website for news and updates.

3.3 Preparation of Proposals

Each bidder shall have sole responsibility for carefully reviewing the RFP and all attachments and for thoroughly investigating and informing itself with respect to all matters pertinent to this RFP and its proposal, including pertinent ISO-NE tariffs and documents. Bidders should rely only on information provided in the RFP and any associated written updates when preparing their proposal. Each bidder shall be solely responsible for and shall bear all of its costs incurred in the preparation of its proposal and/or its participation in this RFP.

3.4 Submission of Proposals; Confidentiality

Bidders must submit proposals via electronic submission according to the instructions provided in Section 3.5 below. If information contained in the proposal is confidential, bidders must

submit both a public version and a confidential version, with each proposal clearly identified. **For it to be eligible, bids must be uploaded with a timestamp of before 12:00 p.m. (i.e., noon), Eastern Prevailing Time on the due date for proposals set forth in Section 3.1, above.** Fax or email submissions will not be accepted. Rhode Island Energy will reject any proposal that is uploaded and has a timestamp after the deadline. Each proposal must contain the full name and business address of the bidder, and the bidder's contact person, and the bid must be signed by an authorized officer or duly authorized representative of the bidder. Copies of the original signature page must be included with the proposal. The public version of the bid should include the words "Public Version" to alert the recipients that the version may be publicly posted. The public proposals must be complete in all respects other than the redaction of confidential information.

With regard to completeness, "complete" proposals must include a properly completed Certification, Project and Pricing Data ("CPPD") Form, although at the bidder's option the CPPD form submitted as part of the public version may be a PDF instead of a working Excel file so long as the bidder submits the un-redacted CPPD form as a working Excel file with the confidential version of the proposal. If there is conflicting information between the information in the CPPD form and information in other forms, then the information in the CPPD form will be used in the evaluation of the bid. Information elsewhere in the bid cannot be used by the bidder to modify or qualify any information in the CPPD form.

In addition, a bidder may redact the public version of the proposal to remove information that qualifies for confidential treatment pursuant to Rhode Island's requirements. Rhode Island Energy will not redact the public versions of proposals for the bidder. The proposal identified as the "Public Version" will be posted at RICleanEnergyRFP.com and made AVAILABLE TO THE PUBLIC. It is solely bidder's responsibility to redact any portion of its bid that it wishes to remain confidential in the public version of their proposal. For example, if the bidder considers the CPPD form to be confidential, it must redact the form from the public version of the proposal but include the CPPD form in the confidential version as a working Excel file, with all required information included. The confidential version of the proposal will be treated as confidential and sensitive information by the recipients, subject to the treatment of confidential information. Bidders should take care to designate as confidential only those portions of their proposals that genuinely warrant confidential treatment. The practice of marking each and every page of a proposal as "confidential" is discouraged.

Rhode Island Energy agrees to use commercially reasonable efforts to treat the non-public information it receives from bidders in a confidential manner. The Division and the OER will (and the DEM and the Commerce Corporation may) receive confidential and non-confidential information provided by bidders to Rhode Island Energy under this RFP for consultation and advisory purposes under the ACES. To the extent that the bid or its attachments contain confidential information, then the bidder may, at its option, execute non-disclosure agreements with the DEM, the Commerce Corporation, the Division, and the OER. Rhode Island Energy will not, except as required by law or in a regulatory proceeding, disclose such information to any third party other than the DEM, the Commerce Corporation, OER, and the Division and their respective agents and/or consultants (i.e., these state agencies will be independently reviewing the evaluation process and/or providing advisory opinions under ACES), or use such information for any purpose other than in connection with this RFP, and it may use a non-disclosure agreement with these agencies and individuals; provided that, in

any future regulatory, administrative or jurisdictional proceeding in which confidential information is sought, Rhode Island Energy shall take reasonable steps to limit disclosure and use of said confidential information through the use of non-disclosure agreements or orders seeking protective treatment, and shall inform bidders that their confidential information has been sought in such proceeding.

If a Bidder submits a multi-state bid to Rhode Island Energy under this RFP, such multi-state bid will be provided to the MOU Parties and their electric distribution companies in accordance with the terms of the MOU including, without limitation, the confidentiality requirements in Section IE of the MOU. By submitting a multi-state bid, the Bidder agrees that Rhode Island Energy may share with the MOU Parties and their electric distribution companies any bids or proposals submitted by Bidder to Rhode Island Energy under this RFP including both the public version and any confidential version of such bid, and such disclosure will be subject to the terms of the MOU including the confidentiality provisions of the MOU.

Notwithstanding the foregoing, in any regulatory proceeding in which such confidential information is sought and a request for confidential treatment is made to the PUC, Rhode Island Energy shall not be responsible in the event that its request for treating information in a confidential manner is not approved, and the information is shared with other parties or made public. Also, the bidder shall be responsible for filing, submitting, and/or providing to Rhode Island Energy for such filing or submission, any motions or other pleadings (including associated affidavits, etc.) for protective orders or other relief to justify withholding the confidential information. Similarly, the bidders shall be required to use commercially reasonable efforts to treat all information received from Rhode Island Energy in a confidential manner and will not, except as required by law or in a regulatory proceeding, disclose such information to any third party; provided, however that if such confidential information is sought in any regulatory or judicial proceeding, the bidders shall take reasonable steps to limit disclosure and use of said confidential information through the use of non-disclosure agreements or requests for orders seeking protective treatment, and shall inform Rhode Island Energy that the confidential information is being sought. See Appendix D for more information.

Bidders also should be aware that Rhode Island Energy will disclose in its entirety each executed PPA submitted to the PUC, with sensitive information potentially subject to redaction. Any Rhode Island state agency may be required to disclose confidential information in response to a public records request, in accordance with the “Access to Public Records Act,” R.I. Gen. Laws § 38-2-1 et seq.

In the event that a bidder’s confidential information is not afforded confidential treatment by a governmental agency or other entity exercising proper authority or any other MOU Party, the entities and individuals involved in the evaluation of bids shall not be held responsible, and their employees, agents, and consultants, shall be held harmless for any release of confidential information as long as reasonable efforts to protect the information have been followed. In any event, each entity and individual involved in the evaluation of bids, as well as their employees, agents, and consultants, shall be held harmless for any release of confidential information made available through any public source by any other party.

During the evaluation of bids, ISO-NE will, and other authorities may, be requested to provide information to Rhode Island Energy, DEM, Commerce Corporation, OER, and the Division concerning proposals as part of the proposal evaluation process. Information classified as Critical Energy Infrastructure Information (“CEII”) will only be shared with Rhode Island Energy, DEM, Commerce Corporation, OER and Division personnel and consultants who are cleared to receive CEII by ISO-NE or any applicable other authorities. By participating in this RFP, bidders agree that ISO-NE and the other authorities may release information related to the projects which may otherwise be considered confidential under the relevant rules or policies of such organizations, to the entities and individuals involved in the evaluation of bids.

The bidder shall provide written confirmation of its consent for the sharing of this information as part of the bidder certification form, and, if requested by Rhode Island Energy, the bidder shall specifically request that ISO-NE and/or any of the other authorities provide this information to the entities and individuals involved in the evaluation of bids and shall pay any costs imposed by ISO-NE or any of the other authorities associated with providing that information. Failure to comply with this request will result in disqualification of the bid. The entities and individuals involved in the evaluation of bids will treat the information provided as confidential, as described above, in accordance with the policies and practices described within this RFP and, if applicable, the MOU.

3.5 Official Website and Contacts for the RFP

The official RFP website is: <https://ricleanenergyrfp.com/2023-osw-rfp/>. All updates and notifications will be posted to the website.

Each bid must be uploaded to the designated ShareFile Site. Bidders must request a unique link at least three (3) business days prior to the due date in Section 3.1, above.

Requests for a unique link to upload bids, any questions or correspondence regarding the RFP, including wiring instructions for the Bid Fees, should be sent to the Official Contact at following email address: RIOSWRFP@pplweb.com. However, only bidders may send questions and correspondence to the Official Contact for this RFP. Any comments, questions, or information sent to the Official Contact by non-bidders will not be considered by Rhode Island Energy. Members of the media should direct their communications to an official Rhode Island Energy spokesperson.

3.6 Organization of the Proposal

Bidders are required to organize their proposal consistent with the contents of the Response Package in Appendix A. The organization and contents of the proposal should be organized as follows:

1. Certification, Project and Pricing Data (CPPD Form)
2. Executive Summary of the Proposal
3. Operational Parameters
4. Energy Resource Plan

5. Financial/Legal
6. Siting, Interconnection and Deliverability
7. Environmental Characterization and Environmental and Fisheries Mitigation Plan, Permit Acquisition Plan, and Environmental Attributes Certification
8. Engineering and Technology; Commercial Access to Equipment
9. Project Schedule
10. Construction and Logistics
11. Operations and Maintenance
12. Project Management/Experience
13. Alternatives Bid Proposals
14. Economic Benefits to the State of Rhode Island
15. Diversity, Equity and Inclusion Plan
16. List of Rhode Island Vendors and Domestic Supply Chain Opportunities
17. Plans for Construction Labor Agreement
18. Exceptions to Form PPAs
19. Exceptions to Commitment Agreement

3.7 Modification or Cancellation of the RFP and Solicitation Process

Following the submission of proposals, Rhode Island Energy may request additional information from bidders at any time during the process. Bidders that are not responsive to such information requests may be eliminated from further consideration. Unless otherwise prohibited, Rhode Island Energy may, at any time up to final award: postpone, withdraw and/or cancel this RFP; alter, extend or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this RFP, any and all of which shall be without any liability to Rhode Island Energy. In particular, the schedule contained herein may be modified or extended if additional guidance is provided on the Federal Production Tax Credit ("PTC") or Investment Tax Credit ("ITC").

Rhode Island Energy issued a previous offshore wind RFP on October 14, 2022, titled "Request for Proposals for Long-Term Contracts for Offshore Wind Energy," under ACES §39-31-10. The Company submitted a filing to the PUC under §39-31-10(d) to explain why it did not conditionally select a bid(s) and, therefore, should not be required to negotiate a contract with the single bidder who responded to the previous RFP. If the PUC orders Rhode Island Energy to proceed with negotiations, Rhode Island Energy may cancel this RFP and solicitation. By submitting a proposal, a bidder agrees that the sole recourse that it may have with respect to the conduct of this RFP is by submission of a complaint or similar filing to the PUC in a relevant docket pertaining to this RFP.