

MAINE OFFSHORE WIND RENEWABLE ENERGY AND ECONOMIC DEVELOPMENT PROGRAM

REQUEST FOR INFORMATION

Issued: April 24, 2024 Deadline for Responses: June 21, 2024 Submit Responses to: geo@maine.gov

On July 27, 2023, Governor Mills signed into law An Act Regarding the Procurement of Energy from Offshore Wind Resources, <u>P.L. 2023, ch. 481</u>, which authorizes the procurement of up to 3,000 megawatts of offshore wind installed in the Gulf of Maine by 2040.

The Maine Governor's Energy Office (GEO) is in the early stages of establishing the Maine Offshore Wind Renewable Energy and Economic Development Program, as directed by the law. As a first step, GEO, in coordination with other state agencies, is issuing this Request for Information (RFI) for commercial offshore wind development to solicit information that will inform future planning and structure necessary to meet the statutory requirements.

Background

This RFI seeks public input to inform GEO's implementation of P.L. 2023, ch. 481. This law makes clear Maine's intention to procure renewable energy from offshore wind resources to increase price stability, reliability and resilience, meet the State's climate and clean energy goals in a cost-effective manner, and grow the state's clean energy economy. The law also incorporates provisions to enable regional coordination in offshore wind solicitation and complementary efforts.

35-A M.R.S. §3407 sub-§1 as enacted by P.L. 2023, ch. 481 directs GEO, in collaboration with the Maine Public Utilities Commission (PUC), to establish the <u>Maine Offshore Wind Renewable Energy and Economic Development Program</u> to further the development and use of offshore wind power projects in the Gulf of Maine. 35-A M.R.S. §3408 directs GEO, in collaboration with the PUC and state agencies, to prepare a request for proposals (RFP) to implement each competitive offshore wind energy solicitation which will then be administered by the PUC to meet the objectives of the Maine Offshore Wind Renewable Energy and Economic Development Program.

GEO seeks to encourage responsible development of offshore wind power projects to achieve the State's goal for offshore wind deployment, stabilize energy supply prices, reduce the State's reliance on imported fossil fuels, and realize direct and near-term economic benefits for the people of Maine while protecting the State's fisheries and other important maritime resources.



GEO, in coordination with other state agencies, is engaged in a number of regional and national planning efforts to advance clean energy. The State is a member of the Gulf of Maine Task Force, which is participating in the planning process for the Bureau of Ocean Energy Management's (BOEM) Gulf of Maine lease sale scheduled for later in 2024. The State is also working regionally in multiple venues related to energy and research to support the growth of clean energy and responsible offshore wind development.

Intent of this Request for Information

The intent of this RFI is to obtain public input regarding GEO's evaluation of solicitation designs and consideration of key program objectives. GEO shall provide multiple opportunities for public input before completing the evaluation and submitting an offshore wind energy RFP to the PUC, which is scheduled for July 2025. The PUC will review the solicitation and publish the first request for proposals within six months of submission.

GEO requests written public comments on the following topics, as well as other offshore windrelated topics not listed below. Responses must be in the form of written comments and submitted electronically to <u>geo@maine.gov</u> on or before **June 21**, 2024, by 4:00 p.m.

Questions of Interest

Respondents may respond to some or all of the following questions and may provide additional information they believe to be useful to GEO in meeting its obligations under P.L. 2023, ch. 481.

Solicitation Approach and Regional Coordination

- 1. Comment on how the Maine Offshore Wind Renewable Energy and Economic Development Program could be designed to support deployment of offshore wind energy resources in a cost-effective manner.
 - a. How can Maine best facilitate regional coordination on energy procurement, cost sharing, and transmission development through the RFP?
 - b. Comment on additional policy levers on the state or federal level to facilitate the development of cost-effective, responsible offshore wind in the Gulf of Maine.
- 2. The State has the authority to issue joint or coordinated solicitations with other jurisdictions in the region and to modify the quantity of offshore wind sought accordingly. Considering factors including the latest information from the Bureau of Ocean Energy Management on siting for commercial offshore wind projects in the Gulf of Maine:
 - a. Comment on the timing and amount of nameplate capacity for Maine's solicitations for offshore wind energy.
 - b. Comment on considerations relevant to any joint or coordinated solicitations with other jurisdictions in the region.
 - c. Comment on the technology and nameplate capacity necessary for a commercially viable offshore wind power project in the Gulf of Maine.



- d. Comment on the commercial operation date for projects that participate in the first solicitation.
- e. Comment on the status of development, commercial availability, and supply chain related to the offshore wind technology suitable for Gulf of Maine deployment of offshore wind.
- f. Send indications of interest in bidding and if that interest is affected by the proposed timelines.
- 3. Comment on how to appropriately balance the objectives of the Maine Offshore Wind Renewable Energy and Economic Development Program with other considerations (e.g. cost to ratepayers; economic development; environmental impact; fisheries impact; and greenhouse gas emissions reduction, among others) when evaluating offshore wind project proposals.

Solicitation Implementation

- 4. Maine is considering the key eligibility and threshold requirements for offshore wind project proposals.
 - a. Comment on these requirements to ensure bidders will meet the objectives of the Maine Offshore Wind Renewable Energy and Economic Development Program.
 - b. Comment on the requirements to ensure bidders will meet Program objectives for the following bid-associated plans:
 - i. Stakeholder engagement and capacity building
 - ii. Economic and community benefits including Diversity, Equity, and Inclusion in employment and contracts
 - 1. What minimum requirements should be established to ensure particular consideration given to the energy and economic circumstances and opportunities in coastal and socially vulnerable communities and for the federally recognized Indian tribes in this State?
 - iii. Fisheries research, monitoring, and mitigation
 - 1. What minimum mitigation requirements should be established to protect fishing interests and ensure navigational safety during construction and operation of offshore wind in the Gulf of Maine?
 - iv. Environmental and wildlife research, monitoring, and mitigation
 - 1. What minimum mitigation requirements should be established to protect sensitive environmental habitats during construction and operation of offshore wind in the Gulf of Maine?
 - v. Fishing communities' investment plans
 - vi. Workforce requirements established in 35-A M.R.S. §3408 sub-§3
 - 1. What minimum requirements should be established to result in long-term, family-supporting careers, including for disadvantaged populations and communities?



- c. Comment on the extent to which applicable federal requirements may intersect with the bid-associated plans described above.
- 5. Offshore wind bidders are required by 35-A M.R.S. §3408 sub-§4 to propose a fishing communities investment plan with the following objectives: 1) support innovation and adaptation to environmental change, shifting resource economics, and changes in fishing practices from offshore wind power development; 2) protect seafood-related working waterfront infrastructure; 3) assist persons fishing commercially at an entry level; and 4) assist persons fishing commercially seeking to provide the responsible entity with offshore services.
 - a. Comment on mechanisms to achieve these objectives generally, and specifically objectives 1 and 4.
 - b. Should fishing community investment plans address impact only to fishermen and fisheries on the water, or should potential impacts at the community scale also be considered?
- 6. Which of the following financial assistance approaches would be most beneficial for commercial fishing businesses, fishing-related businesses and entities established to provide support to the fishing industry?
 - a. Subsidizing commercial lending interest rates.
 - b. Commercial loan guarantees.
 - c. Commercial loan programs.
 - d. Government loan programs.
 - e. Private grant programs.
 - f. Government grant programs.
 - g. Please suggest any other options or examples that would be useful.
- 7. Comment on the appropriate weighting of price-related costs and benefits and non-price factors.
 - a. To what extent should Maine adopt an approach similar to other states in the region?
 - b. Comment on appropriate methods for evaluating the price-related costs and benefits of a project (e.g. direct and indirect energy market impacts).
 - c. How can the RFP be designed to ensure bidders are maximizing use of all available federal and state tax credits to reduce costs to ratepayers?
 - d. How can the RFP be designed to ensure bidders are maximizing use of all other available or future federal funding opportunities to reduce costs to ratepayers and taxpayers?
 - e. What are the key elements to consider in the non-price weighting? How should qualitative factors be incorporated into bid selection criteria?
- 8. Comment on what elements of a procurement (e.g. in terms of pricing or risk mitigation) are necessary to ensure a selected project is investable.



- 9. Many states have recognized the importance of accommodating price indexations to reduce developer's development cost risk due to multiple factors, while protecting ratepayers and taxpayers. Please comment on:
 - a. Different forms of price indexation and how they apportion risk between ratepayers and developers.
 - b. A composite set of indices that represent commodities and financial factors relevant to the development cost of offshore wind in the Gulf of Maine. For each suggested index, provide the applicable weighting. In providing this response, assume that the price adjustment is a one-time adjustment tied to a future date or specific development milestone.
 - c. What portion of a price indexation formula should be fixed and not subject to adjustment?
 - d. Assuming the price adjustment is a one-time adjustment, what is the recommended milestone or date for the price adjustment?
 - e. What are the advantages and disadvantages of allowing multiple adjustments?
 - f. Other proposed PPA or solicitation structures that would protect ratepayers while increasing project viability.
- 10. Comment on the terms and products to be procured, and the contractual mechanism by which the procurement would be implemented (e.g. power purchase agreement), including but not limited to:
 - a. Attributes to be purchased.
 - b. Length of contract.
 - c. Performance requirements.
 - d. Considerations regarding multiple counterparties.
- 11. Comment on any additional approaches that should be considered to protect ratepayers, including solicitation structure, contracting components, or other approaches such as research and development investments that should be considered.

Ports and Workforce

- 12. How should Maine incentivize investments in ports to support Gulf of Maine offshore wind in the RFP?
 - a. Comment on the availability of ports and vessels to support buildout of offshore wind in the Gulf of Maine.
- 13. How should Maine maximize economic development and workforce opportunities for the State?
 - a. How can existing economic and workforce development programs be best aligned with this effort?
 - b. Comment on strategies to make the bidding and contracting process accessible for small and/or minority owned businesses.



c. Comment on strategies to support regional coordination on supply chain and workforce in a manner that supports Maine people.

Transmission

- 14. With respect to transmission, what considerations for technology, technology standards, or requirements should be reflected in the RFP?
 - a. What are the key differences between transmission solutions for floating offshore wind projects compared to fixed bottom projects?
- 15. Comment on the timing and sequencing of any transmission buildout, considering shortterm factors including the first offshore wind project solicitation as well as the long-term objectives of the State and region.
 - a. Comment on any activity that may be considered under the transmission solicitation authority established in 35-A M.R.S. §3409.
 - b. How should Maine consider improving interconnection and deliverability for Gulf of Maine offshore wind projects?
 - c. Comment on any considerations regarding maximizing the value of points of interconnection.
 - d. Comment on relevant technology considerations, including AC versus DC options and solutions.
 - e. Suggest strategies to optimize interconnection between offshore converters to permit power flow to different points of interconnection.
 - f. Discuss the technology options, timing, and limitations associated with an offshore grid that could interconnect multiple offshore projects.

Other Questions of Interest

16. Please provide any additional comments related to Maine's offshore wind procurement.

Use of Information

Information collected from this RFI will be used by GEO to inform the fulfillment of requirements under the Act, including the design of the Maine Offshore Wind Renewable Energy and Economic Development Program. This is an RFI only; GEO will not pay for information provided under this RFI, and no project will be supported as a result of this RFI.

This RFI is not accepting offshore wind project proposals, applications for financial assistance, or financial incentives. **GEO may publish responses to this RFI, including on its website. All responses to this RFI may be subject to disclosure under the State of Maine Freedom of Access Act, thus sensitive or confidential business information should not be provided in response to this RFI.**