

August 2, 2023

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: Petitions for Approval to Terminate Power Purchase Agreements, DPU 22-70 through DPU 22-72.

Dear Secretary Marini:

Thank you for the opportunity to submit written comments in response to Eversource's, National Grid's, and Unitil's petitions for approval to terminate power purchase agreements with Mayflower Wind LLC and Commonwealth Wind LLC ("Commonwealth Wind"), whose parent company is Avangrid, Inc. ("Avangrid"). We urge the Department of Public Utilities ("DPU") to use the termination payments from these dockets to benefit low-income customers. Further, we urge the DPU to ensure that these termination payments are not passed on to future contracts.

Offshore wind stands to provide significant benefits to the people, environment, and economy of Massachusetts. Offshore wind will provide energy security through the diversification of our state's energy portfolio and help reduce harmful pollution while generating much needed renewable energy (especially during cold, gas-constrained periods), thousands of local high-quality jobs, and economic benefits to Massachusetts' coastal communities.

As the Massachusetts Clean Energy and Climate Plan for 2050 makes clear, offshore wind "will be a cornerstone of the Massachusetts energy supply in the next three decades, through to 2050, enabling the Commonwealth to meet its decarbonized energy demand while sustaining economic growth."¹ Construction of the first commercial-scale offshore wind farm, Vineyard Wind, is underway, and the farm is expected to produce power by the end of 2023. The offshore wind industry has finally reached the crucial point of "steel in the water."² Therefore, in order to reach our ambitious net-zero greenhouse gas targets and deliver ratepayer benefits and reliability, it is crucial that offshore wind development continues smoothly in the Commonwealth.

¹ <https://www.mass.gov/doc/2050-clean-energy-and-climate-plan/download>, at 68.

² <https://www.wbur.org/news/2023/06/08/offshore-wind-farm-marthas-vineyard-turbines>

However, recent trends have been troubling. In May of 2022, Avangrid completed negotiations with the state's electric utilities on power purchase agreements and those contracts were filed with the (DPU).³ However, only four months later, Avangrid stated that the project was no longer viable under the terms of the contracts they signed and began attempts to negotiate new pricing over several months.⁴ When that effort failed, the company announced its intention to pull out of the contract entirely in December of 2022.⁵ Finally, after months of negotiations, the utilities and Avangrid reached a settlement, and on July 13, 2023, the utilities filed amendments to their power purchase agreements with Commonwealth Wind. These amendments would terminate the power purchase agreements and would see Avangrid pay termination payments of \$21,619, 200 to National Grid, \$25,900,800 to Eversource, and \$480,000 to Until. These payments are to be credited to each utilities' customers.

While we understand the extenuating economic circumstances the offshore wind developers are faced with, including rising steel prices, supply constraints, inflation, and rising interest rates, the contract cancellations have been disappointing. As previously stated, offshore wind will be a cornerstone of Massachusetts' electricity decarbonization strategy. The contract in question was also expected to save ratepayers billions of dollars over the life of the project. Any potential delays in construction will harm Massachusetts ratepayers and decarbonization targets. As a result, these penalties should benefit those most affected by the increased costs. Therefore, we urge that these penalties be credited to low-income customers to reduce energy burdens.

We also urge the DPU to ensure that future contracts are structured in a manner that does not allow a repeat of this outcome. Further, it is absolutely critical that the DPU ensures that these costs are not passed to ratepayers in future contracts.

Thank you for the opportunity to comment on this incredibly important issue. If you have any questions or concerns, please do not hesitate to reach out.

Respectfully submitted,

Acadia Center
Clean Water Action
Environmental League of Massachusetts
Mothers Out Front
PowerOptions
Sierra Club

350 Mass
Conservation Law Foundation
Green Energy Consumers Alliance
PLAN-NE
Seaside Sustainability

³ <https://commonwealthmagazine.org/energy/avangrid-agrees-to-pay-48m-to-terminate-offshore-wind-deal/>

⁴ <https://commonwealthmagazine.org/energy/wind-farm-raises-alarms-about-its-viability/>

⁵ <https://commonwealthmagazine.org/energy/avangrid-pulls-out-of-major-mass-offshore-wind-procurement/>