

# HOUSE . . . . . No. 4515

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, March 1, 2022.

The committee on Ways and Means, to whom was referred the Bill advancing offshore wind and clean energy (House, No. 4348), reports recommending that the same ought to pass with an amendment substituting therefor the accompanying bill (House, No. 4515).

For the committee,

AARON MICHLEWITZ.

**HOUSE . . . . . No. 4515**

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**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Second General Court  
(2021-2022)**

An Act advancing offshore wind and clean energy.

*Whereas*, the deferred operation of this act would tend to defeat its purpose, which is to authorize forthwith the advancement of offshore wind and clean energy in the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. Chapter 21A of the General Laws is hereby amended by inserting after  
2 section 4A the following section:-

3           SECTION 4A½. The office of coastal zone management shall establish: (1) an  
4 environmental working group; and (2) a fisheries working group. Each working group shall be  
5 comprised of key experts and stakeholders to provide input on best practices for avoiding,  
6 minimizing and mitigating impacts to wildlife, including, but not limited to, threatened or  
7 endangered species, such as North Atlantic right whales, coastal and marine habitats, natural  
8 resources and ecosystems; traditional or existing water-dependent uses, including, but not limited  
9 to, commercial and recreational fishing during the construction and operation of facilities; and  
10 job training for opportunities in the offshore wind industry. The environmental and fisheries  
11 working groups shall conduct an ongoing review of implemented monitoring and mitigation

12 programs and provide feedback and recommendations on an as-needed basis, to be considered by  
13 the office. Pre-construction engagement of the working groups shall correspond with project  
14 development, solicitation and permitting and a process to determine federal consistency with  
15 approved coastal management programs.

16 SECTION 2. Chapter 23 of the General Laws is hereby amended by adding the following  
17 section:-

18 Section 26. (a) As used in this section, the term “employment value” shall mean an  
19 assessment of the value of a particular occupation based on the entry wage, growth rate in  
20 employment and average annual open positions for the occupation.

21 (b) For the purpose of promoting access to academic and technical skills that prepare the  
22 workforce for high-skill, high-demand occupations in the commonwealth, the executive office of  
23 labor and workforce development shall provide the department of elementary and secondary  
24 education, annually, not later than February 1, a list of occupations in high-skill, high-demand  
25 industries in the commonwealth that either require an industry-recognized certification or for  
26 which such certification will materially enhance a job applicant’s opportunities for employment  
27 or increased compensation. The list shall include, but not be limited to: (i) the related workforce  
28 needs and shortages in each region of the commonwealth; and (ii) recommendations on potential  
29 courses and programming in public schools that can effectively contribute to providing  
30 credentials for high-skill, high-demand industries in the commonwealth. The list shall include  
31 occupations with high employment value; provided, that the top 20 per cent of occupations shall  
32 be high-skill, high-demand occupations; provided, however, that no occupation shall be included  
33 on the list which has an annual salary or wage in an amount less than 70 per cent of the average

34 annual salary or wage in the commonwealth, unless the certification for such an occupation is  
35 stackable to another industry certification and required for the next level of occupation which  
36 does meet the 70 per cent wage criterion.

37 (c) The executive office of labor and workforce development, in consultation with the  
38 department of elementary and secondary education, shall make the list created pursuant to  
39 subsection (b) available to all school districts in the commonwealth and post the list publicly on  
40 the executive office of labor and workforce development’s website.

41 SECTION 3. Section 1 of chapter 23J of the General Laws, as appearing in the 2020  
42 Official Edition, is hereby amended by striking out the definition of “Board” and inserting in  
43 place thereof the following 2 definitions:-

44 “Affiliate”, any business which directly or indirectly controls or is controlled by or is  
45 under direct or indirect common control of another business including, but not limited to, any  
46 business with which a business is merged or consolidated, or which purchases all or substantially  
47 all of the assets of a business.

48 “Board”, the board of directors of the center.

49 SECTION 4. Said section 1 of said chapter 23J, as so appearing, is hereby further  
50 amended by inserting after the definition of “Center” the following definition:-

51 “Certified offshore wind company”, an offshore wind company that has been certified by  
52 the center for participation in the Massachusetts offshore wind industry investment program and  
53 the offshore wind tax incentive program established in section 8A.

54 SECTION 5. Said section 1 of said chapter 23J, as so appearing, is hereby further  
55 amended by inserting after the definition of “Fund” the following 2 definitions:-

56 “Offshore wind company”, a business corporation, partnership, firm, unincorporated  
57 association or other entity engaged in offshore wind development, manufacturing or  
58 commercialization in the commonwealth and any affiliate thereof, which is, or the members of  
59 which are, subject to taxation under chapter 62, 63, 64H or 64I.

60 “Offshore wind organization”, a non-profit institution, adult and community learning  
61 service provider, labor organization, regional employment board, public or private higher  
62 education institution, vocational-technical education institution, designated port management  
63 agency or entity or other entity engaged in offshore wind development that is not an offshore  
64 wind company.

65 SECTION 6. Section 2 of said chapter 23J, as so appearing, is hereby amended by  
66 striking out subsection (b) and inserting in place thereof the following subsection:-

67 (b) The center shall be governed and its corporate powers exercised by a board of  
68 directors consisting of 14 directors: 1 of whom shall be the secretary of energy and  
69 environmental affairs or their designee, who shall serve as a chair; 1 of whom shall be the  
70 secretary of housing and economic development or their designee; 1 of whom shall be the  
71 secretary of administration and finance or their designee; 1 of whom shall be the secretary of  
72 labor and workforce development or their designee; 1 of whom shall be the president of the  
73 University of Massachusetts or their designee; 1 of whom shall be the executive director of the  
74 Massachusetts Workforce Alliance, Inc.; 1 of whom shall be the commissioner of the department  
75 of energy resources; 2 of whom shall be appointed by the speaker of the house of representatives,

76 1 of whom shall be a union representative; 2 of whom shall be appointed by the senate president,  
77 1 of whom shall have knowledge of electricity distribution, generation, supply or power  
78 marketing; and 3 of whom shall be appointed by the governor, 1 of whom shall be a venture  
79 capitalist or a chief executive officer of a Massachusetts-based clean energy corporation with  
80 expertise in clean energy technologies in the commonwealth, 1 of whom shall be the president of  
81 a Massachusetts community college or their designee and 1 of whom shall be the president of a  
82 Massachusetts private college or university or their designee. Each of the 3 directors appointed  
83 by the governor, the 2 directors appointed by the speaker of the house of representatives and the  
84 2 directors appointed by the senate president shall serve for a term of 5 years. A director shall be  
85 eligible for reappointment. A director may be removed from their appointment by the governor  
86 for cause. A person appointed to fill a vacancy in the office of an appointed director of the board  
87 shall be appointed in a like manner and shall serve for only the unexpired term of the director.

88 SECTION 7. Said section 2 of said chapter 23J, as so appearing, is hereby further  
89 amended by striking out, in line 66, the word "Six" and inserting in place thereof the following  
90 word:- Seven.

91 SECTION 8. Subsection (a) of section 3 of said chapter 23J, as so appearing, is hereby  
92 amended by adding the following paragraph:-

93 (32) to serve as a focal point, and provide state-wide coordination, for offshore wind  
94 initiatives; provided, that said responsibilities shall include, but shall not be limited to: (i)  
95 working with public and private higher education institutions in the commonwealth to coordinate  
96 and strengthen offshore wind research activities in the commonwealth; (ii) strengthening  
97 collaborative research and development between higher education institutions and companies

98 located within the commonwealth; (iii) addressing critical barriers facing offshore wind  
99 companies in the commonwealth; (iv) assessing and reporting on infrastructure requirements that  
100 support the growing offshore wind industry in the commonwealth; (v) supporting the growth of  
101 an offshore wind supply chain in the commonwealth; (vi) supporting and developing offshore  
102 wind training initiatives; and (vii) supporting and growing offshore wind innovation and  
103 entrepreneurship in the commonwealth.

104 SECTION 9. Said chapter 23J is hereby further amended by inserting after section 8 the  
105 following section:-

106 Section 8A. (a) There shall be established and placed within the center a Massachusetts  
107 offshore wind industry investment program that shall be administered by the center, in  
108 consultation with the department of revenue. The purpose of the program shall be to develop and  
109 expand offshore wind industry-related employment opportunities in the commonwealth and to  
110 promote renewable energy-related innovations and economic development benefits to the  
111 commonwealth by supporting and stimulating siting, development, manufacturing and supply  
112 chain capacity in the offshore wind industry. Certified offshore wind companies shall be eligible  
113 for participation in the program, which shall consist of the offshore wind tax incentive program  
114 established in subsection (d) and access to expenditures pursuant to the Massachusetts offshore  
115 wind industry investment trust fund established in section 9A.

116 (b) The center may, upon a majority vote of the board, certify an offshore wind company  
117 as a certified offshore wind company upon: (i) the timely receipt, as determined by the center, of  
118 a certification proposal supported by independently verifiable information, signed under the  
119 pains and penalties of perjury by a person expressly authorized to contract on behalf of the

120 offshore wind company and shall include, but not be limited to, an estimate of the projected new  
121 state revenue the offshore wind company expects to generate during the period for which the  
122 company seeks certification, together with a plan that shall include, but not be limited to: (1)  
123 precise goals and objectives, by which the offshore wind company proposes to achieve the  
124 projected new state revenue; (2) an estimate of the number of permanent full-time employees to  
125 be hired or retained; (3) an estimate of the year in which the company expects to hire or retain  
126 the employees; (4) an estimate of the projected average salaries of said employees; (5) an  
127 estimate of the projected taxable income pursuant to chapter 62 generated by said employees; (6)  
128 an estimate of the methods by which the company shall obtain new employees and pursue a  
129 diverse workforce; and (7) if applicable, an estimate of the company's planned capital  
130 investment in the commonwealth; and (ii) findings made by the center, based on the certification  
131 proposal, documents submitted therewith and any additional investigation by the center that shall  
132 be incorporated in its approval, that: (1) the offshore wind company shall meet all statutory  
133 requirements and any other criteria that the center, in consultation with the department of  
134 revenue, may prescribe including, but not limited to, criteria in the following areas: (A) the  
135 offshore wind company's potential for leveraging additional funding or attracting additional  
136 resources to the commonwealth; (B) the offshore wind company's potential to promote offshore  
137 wind manufacturing in the commonwealth; and (C) the offshore wind company's potential to  
138 create employment in the commonwealth; and (2) the offshore wind company shall meet the new  
139 state revenue, employment growth, and applicable capital investment projections, as specified in  
140 the certification proposal, over the period for which it receives benefits.

141 (c)(1) Certification granted pursuant to subsection (b) shall be valid for 5 years starting  
142 with the tax year in which certification is granted. Each certified offshore wind company shall



143 file an annual report with the center and the department of revenue detailing whether it has met  
144 the specific targets established in the proposal pursuant to clause (i) of subsection (b).

145 (2) For the purposes of this paragraph, “material noncompliance” shall mean the failure  
146 of a certified offshore wind company to substantially achieve the new state revenue, job growth,  
147 and capital investment projections set forth in its certification proposal or any other act, omission  
148 or misrepresentation by the certified offshore wind company that frustrates the public purpose of  
149 the Massachusetts offshore wind industry investment program. The certification of an offshore  
150 wind company may be revoked by the center after an independent investigation by the center, in  
151 consultation with the department of revenue, and a determination that the certified offshore wind  
152 company is in material noncompliance with its certification proposal; provided, however, that the  
153 center shall review the certified offshore wind company at least annually. Revocation shall take  
154 effect on the first day of the tax year in which the center determines the certified offshore wind  
155 company to be in material noncompliance. The commissioner of revenue shall, as of the effective  
156 date of the revocation, disallow any credits, exemptions or other tax benefits allowed by the  
157 original certification of tax benefits under this section. The department of revenue shall issue  
158 regulations to establish a process to recapture the value of any credits, exemptions or other tax  
159 benefits allowed by the certification under this section.

160 (3) Nothing in this subsection shall limit any legal remedies available to the  
161 commonwealth against any certified offshore wind company.

162 (d) There shall be established an offshore wind tax incentive program. The center, in  
163 consultation with the department of revenue, may annually authorize incentives, including those  
164 established in subsections (aa) and (bb) of section 6 of chapter 62 and sections 38KK and 38LL

165 of chapter 63, that shall not exceed \$50,000,000 annually. The center, in consultation with the  
166 department of revenue, may limit the incentives to a specific dollar amount or time duration or in  
167 any other manner deemed appropriate by the department of revenue; provided, however, that the  
168 department of revenue shall only allocate the incentives among certified offshore wind  
169 companies.

170 The center shall provide an estimate to the secretary of administration and finance of the  
171 tax cost of extending benefits to a proposed project before certification, as approved by the  
172 commissioner of revenue, based on reasonable projections of project activities and costs. Tax  
173 incentives shall not be available to a certified offshore wind company unless expressly granted  
174 by the secretary of administration and finance in writing.

175 SECTION 10. Subsection (a) of section 9 of said chapter 23J, as so appearing, is hereby  
176 amended by striking out the third sentence and inserting in place thereof the following sentence:-  
177 There shall be credited to the trust fund amounts collected and designated for deposit into the  
178 trust fund under section 20 of chapter 25 and any income derived from the investment of  
179 amounts credited to the trust fund.

180 SECTION 11. Said chapter 23J is hereby further amended by striking out section 9A,  
181 inserted by section 13 of chapter 102 of the acts of 2021, and inserting in place thereof the  
182 following section:-

183 Section 9A. (a) There shall be established and placed within the center a trust fund to be  
184 known as the Massachusetts Offshore Wind Industry Investment Trust Fund to be held by the  
185 center separate and apart from its other funds. The trust fund shall be credited with: (i) any  
186 appropriations, bond proceeds or other monies authorized by the general court and specifically

187 designated to be credited thereto; (ii) amounts collected and designated for deposit into the trust  
188 fund pursuant to section 20 of chapter 25; (iii) funds from public and private sources and other  
189 gifts, grants and donations; and (iv) any income derived from the investment of amounts credited  
190 to the trust fund. All amounts credited to the trust fund shall be held in trust and used solely for  
191 activities and expenditures consistent with the public purpose of the trust fund pursuant to  
192 subsection (b), and the ordinary and necessary expenses of administration and operation  
193 associated with the trust fund. All available monies in the trust fund that are unexpended at the  
194 end of each fiscal year shall not revert to the General Fund and shall be available for expenditure  
195 in the subsequent fiscal year.

196 (b) To advance the following public purposes for the offshore wind industry in the  
197 commonwealth, the center shall make expenditures from the trust fund to:

198 (1) stimulate increased financing for the siting and expansion of permanent offshore wind  
199 manufacturing facilities in the commonwealth by providing financing for the construction or  
200 expansion of new facilities;

201 (2) provide funds for up to 50 per cent of costs incurred by a certified offshore wind  
202 company interconnecting an offshore wind project or projects to the power grid, subject to a  
203 matching requirement by a certified offshore wind company; provided, that said matching  
204 requirement may be increased in relation to the overall costs incurred;

205 (3) promote offshore wind innovation;

206 (4) promote manufacturing activities for new or existing advanced technologies and  
207 offshore wind research;

208 (5) provide funds for the revitalization and development of ports in the commonwealth to  
209 support the offshore wind industry;

210 (6) provide funds for workforce training to prepare individuals for offshore wind careers  
211 to: (i) public or private higher education institutions, including Quincy College, and vocational-  
212 technical education institutions for the adoption of basic safety training and basic technical  
213 training programs; provided, that the center shall prioritize awards to education institutions  
214 seeking accreditation in internationally recognized training standards, including, but not limited  
215 to, standards developed by the Global Wind Organisation; (ii) public or private higher education  
216 institutions, including Quincy College, and vocational-technical education institutions for the  
217 development, expansion and promotion of offshore wind professional certificate programs and  
218 courses tailored to careers in the offshore wind industry for students in associate and  
219 baccalaureate degree programs; (iii) adult and community learning service providers, labor  
220 organizations, public or private higher education institutions, including Quincy College, and  
221 vocational-technical education institutions for the sponsorship of award, scholarship and paid  
222 internship programs to support the education and training of individuals seeking careers in the  
223 offshore wind industry; provided, that the center shall prioritize the promotion of careers in the  
224 skilled trades, water transportation, operations and maintenance and other occupations that the  
225 center identifies as high priority; and (iv) regional employment boards to develop a regional  
226 strategy to support the development of the offshore wind industry and to publish their findings as  
227 an addendum to their workforce development blueprints;

228 (7) leverage funds to secure future federal funding to support the offshore wind industry;

229 (8) provide funding for the development and coordination of secondary, vocational-  
230 technical, and higher education programs related to the offshore wind industry;

231 (9) provide funding for site remediation, preparation and ancillary infrastructure  
232 improvement projects to support the offshore wind industry;

233 (10) support a long-term contract for renewable energy certificates, energy and a  
234 combination of both renewable energy certificates and energy, which the center may resell to  
235 municipal aggregations or other private aggregation groups through shorter term contracts; and

236 (11) otherwise further the public purposes set forth in this section.

237 (c) In furtherance of the public purposes set forth in subsection (b), the center may  
238 expend monies from the trust fund to: (i) make grants, contracts, loans, equity investments,  
239 energy production credits, bill credits or rebates available to customers; (ii) provide financial or  
240 debt service obligation assistance; or (iii) take any other action, in such forms, under such terms  
241 and conditions and under such selection procedures as the center deems appropriate and  
242 otherwise in a manner consistent with good business practices; provided, that the center shall  
243 conduct, when practicable, competitive procurements; provided further, that the center shall  
244 endeavor to leverage the full range of resources, expertise and participation of other state and  
245 federal agencies and instrumentalities in the design and implementation of programs conducted  
246 pursuant to this section; and provided further, that the board shall determine and incorporate into  
247 the minutes of its proceedings a finding that any such action is calculated to advance the public  
248 purpose and public interests set forth in this section.

249 (d) The center shall make no expenditure from the trust fund unless: (i) the expenditure  
250 has been approved by a majority vote of the board; (ii) the recipient is an offshore wind company

251 or offshore wind organization; provided, that an offshore wind company that has not been  
252 certified pursuant to section 8A shall not receive an award in an amount greater than \$5,000,000;  
253 (iii) the center finds, to the extent possible, that a definite benefit to the commonwealth's  
254 economy may reasonably be expected from said expenditure; and (iv) the expenditure conforms  
255 with any rules the board may adopt to administer the trust fund. In evaluating a request or  
256 application for funding, the center shall consider the following: (i) the appropriateness of the  
257 project; (ii) whether the project has significant potential to expand employment; (iii) the project's  
258 potential to enhance technological advancements; (iv) the project's potential for leveraging  
259 additional funding or attracting resources to the commonwealth; and (v) the project's potential to  
260 promote manufacturing in the commonwealth.

261 (e) Subject to the approval of the board and not inconsistent with any strategic or annual  
262 operational plans, investment activity of monies from the trust fund by the center may include:  
263 (i) an equity fund to provide risk capital to offshore wind companies, offshore wind  
264 organizations and projects; (ii) a debt fund to provide loans to offshore wind companies, offshore  
265 wind organizations, projects, intermediaries and end-users; and (iii) a market growth assistance  
266 fund to be used to attract private capital to the equity and debt funds. To implement these  
267 investment activities, the center may retain, through a bid process, public or private sector  
268 investment fund managers, who shall have prior knowledge and experience in fund management  
269 and possess related skills in offshore wind, renewable energy and related technologies  
270 development, to direct the investment activity described in this section and to seek other fund co-  
271 sponsors to contribute public and private capital from the commonwealth and other states;  
272 provided, however, that such capital shall be appropriately segregated. Subject to the approval of  
273 the board, the managers may retain necessary services and consultants to carry out the purposes

274 of the fund. The managers shall develop a business plan to guide investment decisions which  
275 shall be approved by the board before any expenditure from the trust fund and which shall be  
276 consistent with the plan for the trust fund as adopted by the board.

277 (f) The center shall not make expenditures from or commitment of the assets of the trust  
278 fund if the amount of the trust fund is less than the minimum requirement established by the  
279 board as a result of the expenditure.

280 SECTION 12. Section 14 of said chapter 23J, inserted by section 11 of chapter 24 of the  
281 acts of 2021, is hereby repealed.

282 SECTION 13. Section 20 of chapter 25 of the General Laws, as appearing in the 2020  
283 Official Edition, is hereby amended by striking out subsection (a) and inserting in place thereof  
284 the following subsection:-

285 (a) The department shall require a mandatory charge of 14.65 mill per therm for all  
286 natural gas consumers and a mandatory charge of 0.5 mill per kilowatt-hour for all electricity  
287 consumers, except those served by a municipal lighting plant that does not supply generation  
288 service outside its own service territory or does not open its service territory to competition at the  
289 retail level, to support the development and promotion of renewable energy projects. All  
290 revenues generated by the mandatory charge for natural gas consumers shall be deposited into  
291 the Massachusetts Renewable Energy Trust Fund established in section 9 of chapter 23J. All  
292 revenues generated by the mandatory charge for electricity consumers shall be deposited into the  
293 Massachusetts Offshore Wind Industry Investment Trust Fund established in section 9A of said  
294 chapter 23J.

295 SECTION 14. Said section 20 of said chapter 25 is hereby further amended by striking  
296 out subsection (a), inserted by section 13, and inserting in place thereof the following  
297 subsection:-

298 (a) The department shall require a mandatory charge of 14.65 mill per therm for all  
299 natural gas consumers and a mandatory charge of 0.5 mill per kilowatt-hour for all electricity  
300 consumers, except those served by a municipal lighting plant that does not supply generation  
301 service outside its own service territory or does not open its service territory to competition at the  
302 retail level, to support the development and promotion of renewable energy projects. All  
303 revenues generated by the mandatory charges under this subsection shall be deposited into the  
304 Massachusetts Renewable Energy Trust Fund established in section 9 of chapter 23J.

305 SECTION 15. Section 6 of chapter 62 of the General Laws, as appearing in the 2020  
306 Official Edition, is hereby amended by adding the following 2 subsections:-

307 (aa)(1) A taxpayer, to the extent authorized by the offshore wind tax incentive program  
308 established in subsection (d) of section 8A of chapter 23J, may be allowed a refundable jobs  
309 credit against the tax liability imposed under this chapter in an amount determined by the  
310 Massachusetts clean energy technology center established in section 2 of chapter 23J, in  
311 consultation with the department.

312 (2) A taxpayer taking a credit under this subsection shall commit to the creation of a  
313 minimum of 50 net new permanent full-time employees in the commonwealth.

314 (3) A credit allowed under this subsection shall reduce the liability of the taxpayer under  
315 this chapter for the taxable year. If a credit claimed under this subsection by a taxpayer exceeds  
316 the taxpayer's liability as otherwise determined under this chapter for the taxable year, 90 per



317 cent of such excess credit, to the extent authorized by the offshore wind tax incentive program,  
318 shall be refundable to the taxpayer. Excess credit amounts shall not be carried forward to other  
319 taxable years.

320 (4) The department shall issue the refundable portion of the jobs credit without further  
321 appropriation and in accordance with the cumulative amount, including the current year costs of  
322 incentives allowed in previous years, which shall not exceed \$50,000,000 annually as set forth in  
323 subsection (d) of section 8A of chapter 23J.

324 (bb)(1) As used in this subsection, the following words shall, unless the context clearly  
325 requires otherwise, have the following meanings:

326 “Capital investment”, expenses incurred for the site preparation and construction, repair,  
327 renovation, improvement, or equipping of a building, structure, facility, or other improvements  
328 to real property, including, but not limited to, site-related utility and transportation infrastructure  
329 improvements.

330 “Center”, the Massachusetts clean energy technology center established in section 2 of  
331 chapter 23J.

332 “Certified offshore wind company”, as defined in section 1 of chapter 23J.

333 “Offshore wind facility”, any building, complex of buildings, or structural components of  
334 buildings, including water access infrastructure, and all machinery and equipment used in the  
335 manufacturing, assembly, development or administration of component parts that are primarily  
336 used to support the offshore wind industry.

337           “Owner”, a taxpayer subject to tax under this chapter that: (i) holds title to an offshore  
338 wind facility; or (ii) ground leases the land underlying the facility for at least 50 years.

339           “Tenant”, a taxpayer subject to tax under this chapter that is a lessee in an offshore wind  
340 facility.

341           (2) An owner or tenant, to the extent authorized by the offshore wind tax incentive  
342 program established in section 8A of chapter 23J, may take a refundable credit against the taxes  
343 imposed by this chapter in an amount, as determined by the center, of up to 50 per cent of its  
344 total capital investment in an offshore wind facility. The total amount of tax credit awarded  
345 pursuant to this subsection shall be distributed in equal parts over the 5 taxable years that  
346 correspond to the period in which the owner or tenant is certified pursuant to said section 8A of  
347 said chapter 23J.

348           (3) An owner shall be eligible for a tax credit authorized under this subsection if the  
349 owner demonstrates to the department that: (i) the owner is a certified offshore wind company;  
350 (ii) the owner’s total capital investment in the offshore wind facility equals not less than  
351 \$50,000,000; and (iii) the offshore wind facility will employ not less than 200 new full-time  
352 employees by the fifth year of the owner’s certification period under section 8A of chapter 23J.

353           (4) A tenant shall be eligible for a tax credit authorized pursuant to this subsection if the  
354 tenant demonstrates to the department that: (i) the tenant is a certified offshore wind company;  
355 (ii) the owner has made a total capital investment in the facility that equals not less than  
356 \$50,000,000; (iii) the tenant occupies a leased area of the offshore wind facility that represents  
357 not less than 25 per cent of the owner’s capital investment in the facility; and (iv) the tenant will  
358 employ, in the aggregate with other tenants at the offshore wind facility, not less than 200 full-

359 time employees by the fifth year of the tenant's certification period pursuant to section 8A of  
360 chapter 23J. The amount of tax credits awarded to a tenant under this subsection for a taxable  
361 year shall not exceed the tenant's total lease payments for occupancy of the offshore wind  
362 facility for the taxable year.

363 (5) An owner or tenant taking a credit authorized in this subsection shall not take the  
364 credits authorized in subsection (g) or (aa) in the same taxable year.

365 (6) The department shall issue the refundable portion of the credit without further  
366 appropriation and in accordance with the cumulative amount, including the current year costs of  
367 incentives allowed in previous years, which shall not exceed \$50,000,000 annually as set forth in  
368 subsection (d) of section 8A of chapter 23J.

369 (7) The department shall promulgate such rules and regulations as are necessary to  
370 administer the credit established in this subsection.

371 SECTION 16. Chapter 63 of the General Laws is hereby amended by inserting after  
372 section 38JJ the following 2 sections:-

373 Section 38KK. (a)(1) A corporation subject to tax under this chapter, to the extent  
374 authorized by the offshore wind tax incentive program established in subsection (d) of section  
375 8A of chapter 23J, may be allowed a refundable jobs credit against the tax liability imposed  
376 under this chapter in an amount determined by the Massachusetts clean energy technology center  
377 established in section 2 of chapter 23J, in consultation with the department.

378 (2) A corporation taking a credit under this section shall commit to the creation of a  
379 minimum of 50 net new permanent full-time employees in the commonwealth.

380 (3) A credit allowed under this section shall reduce the liability of the corporation under  
381 this chapter for the taxable year. If a credit claimed under this section by a corporation exceeds  
382 the corporation’s liability as otherwise determined under this chapter for the taxable year, 90 per  
383 cent of such excess credit, to the extent authorized by the offshore wind tax incentive program,  
384 shall be refundable to the corporation. Excess credit amounts shall not be carried forward to  
385 other taxable years.

386 (4) The department shall issue the refundable portion of the jobs credit without further  
387 appropriation and in accordance with the cumulative amount, including the current year costs of  
388 incentives allowed in previous years, which shall not exceed \$50,000,000 annually as set forth in  
389 subsection (d) of section 8A of chapter 23J.

390 Section 38LL. (a) As used in this section, the following words shall, unless the context  
391 clearly requires otherwise, have the following meanings:-

392 “Capital investment”, expenses incurred for the site preparation and construction, repair,  
393 renovation, improvement, or equipping of a building, structure, facility, or other improvements  
394 to real property, including, but not limited to, site-related utility and transportation infrastructure  
395 improvements.

396 “Center”, the Massachusetts clean energy technology center established in section 2 of  
397 chapter 23J.

398 “Certified offshore wind company”, as defined in section 1 of chapter 23J.

399 “Offshore wind facility”, any building, complex of buildings, or structural components of  
400 buildings, including water access infrastructure, and all machinery and equipment used in the

401 manufacturing, assembly, development or administration of component parts that are primarily  
402 used to support the offshore wind industry.

403 “Owner”, a taxpayer subject to tax under this chapter that: (i) is a corporation that holds  
404 title to an offshore wind facility; or (ii) ground leases the land underlying an offshore wind  
405 facility for at least 50 years.

406 “Tenant”, a taxpayer subject to tax under this chapter that is a lessee in an offshore wind  
407 facility.

408 (b) An owner or tenant, to the extent authorized by the offshore wind tax incentive  
409 program established in section 8A of chapter 23J, may take a refundable credit against the tax  
410 imposed by this chapter in an amount, as determined by the center, of up to 50 per cent of its  
411 total capital investment in an offshore wind facility. The total amount of tax credit awarded  
412 pursuant to this section shall be distributed in equal parts over the 5 taxable years that correspond  
413 to the period in which the owner or tenant is certified pursuant to said section 8A of said chapter  
414 23J.

415 (c) An owner shall be eligible for a tax credit authorized under this section if the owner  
416 demonstrates to the department that: (i) the owner is a certified offshore wind company; (ii) the  
417 owner’s total capital investment in the offshore wind facility equals not less than \$50,000,000;  
418 and (iii) the offshore wind facility will employ not less than 200 new full-time employees by the  
419 fifth year of the owner’s certification period under section 8A of chapter 23J.

420 (d) A tenant shall be eligible for a tax credit authorized pursuant to this section if the  
421 tenant demonstrates to the department that: (i) the tenant is a certified offshore wind company;  
422 (ii) the owner of the offshore wind facility has made a total capital investment in the facility that

423 equals not less than \$50,000,000; (iii) the tenant occupies a leased area of the offshore wind  
424 facility that represents not less than 25 per cent of the owner’s capital investment in the facility;  
425 and (iv) the tenant will employ, in the aggregate with other tenants at the offshore wind facility,  
426 not less than 200 full-time employees by the fifth year of the tenant’s certification period under  
427 section 8A of chapter 23J. The amount of tax credits awarded under this section to a tenant for a  
428 taxable year shall not exceed the tenant’s total lease payments for occupancy of the offshore  
429 wind facility for the taxable year.

430 (e) An owner or tenant taking a credit authorized in this section shall not take the credits  
431 authorized in section 38N or 38KK in the same taxable year.

432 (f) The department shall issue the refundable portion of the credit without further  
433 appropriation and in accordance with the cumulative amount, including the current year costs of  
434 incentives allowed in previous years, which shall not exceed \$50,000,000 annually as set forth in  
435 subsection (d) of section 8A of chapter 23J.

436 (g) The department shall promulgate such rules and regulations as are necessary to  
437 administer the credit established in this section.

438 SECTION 17. Section 1 of chapter 164 of the General Laws, as appearing in the 2020  
439 Official Edition, is hereby amended by inserting after the definition of “Department” the  
440 following definition:-

441 “Distributed energy resources”, a generation facility or renewable energy facility  
442 connected directly to a distribution facility or to a retail customer facility, including a facility  
443 behind the retail customer’s meter, which alleviates or avoids transmission or distribution  
444 constraints or the installation of a new transmission facility or distribution facility.

445 SECTION 18. Said chapter 164 is hereby further amended by inserting after section 92A  
446 the following 2 sections:-

447 Section 92B. (a) The department shall direct each electric company to develop an  
448 electric-sector transformation plan to proactively upgrade the distribution and, where applicable,  
449 transmission systems to: (i) improve grid reliability and resiliency; (ii) enable increased, timely  
450 adoption of renewable energy and distributed energy resources; (iii) promote energy storage and  
451 electrification technologies necessary to decarbonize the environment and economy; and (iv)  
452 prepare for future climate-driven impacts on the transmission and distribution systems, thereby  
453 helping the commonwealth realize its statewide greenhouse gas emissions limits and sublimits  
454 under chapter 21N.

455 (b) An electric-sector transformation plan developed pursuant to subsection (a) shall  
456 describe in detail each of the following elements: (i) improvements to the electric distribution  
457 system to increase reliability and strengthen system resiliency to address potential weather-  
458 related and disaster-related risks; (ii) the availability and suitability of new technologies  
459 including, but not limited to, smart inverters, advanced metering and telemetry, and energy  
460 storage technology for meeting forecasted reliability and resiliency needs, as applicable; (iii)  
461 patterns and forecasts of distributed energy resource adoption in the company's territory and  
462 upgrades that would facilitate increased adoption of such technologies; (iv) improvements to the  
463 distribution system that will enable customer preferences for access to renewable energy  
464 resources; (v) improvements to the distribution system that will facilitate transportation or  
465 building electrification; (vi) improvements to the transmission or distribution system to facilitate  
466 achievement of the statewide greenhouse gas emissions limits under chapter 21N; (vii)  
467 opportunities to deploy energy storage technologies to improve renewable energy utilization and

468 avoid curtailment; and (viii) alternatives to the proposed investments in the distribution and  
469 transmission systems including rate design, load management and other methods for reducing  
470 demand. For all proposed investments and alternatives, each electric company shall identify  
471 customer benefits associated with the investments and alternatives including, but not limited to,  
472 safety, grid reliability and resiliency, facilitation of the electrification of buildings and  
473 transportation, integration of distributed energy resources, avoided renewable energy  
474 curtailment, reduced greenhouse gas emissions and air pollutants, and avoided land use impacts.

475 (c) In developing a plan pursuant to subsection (a), an electric company shall:

476 (i) prepare and use 3 planning horizons for electric demand, including a 5-year forecast, a  
477 10-year forecast and a demand assessment through 2050 to account for future trends in the  
478 adoption of renewable energy, distributed energy resources, and energy storage and  
479 electrification technologies necessary to achieve the statewide greenhouse gas emission limits  
480 and sublimits under chapter 21N;

481 (ii) consider and include a summary of related investments that have been reviewed or  
482 approved by the department previously; and

483 (iii) solicit input, such as planning scenarios and modeling, from the Grid Modernization  
484 Advisory Council established in section 92C, and conduct technical conferences and a minimum  
485 of 2 stakeholder meetings to inform the public, appropriate state and federal agencies, and  
486 companies engaged in the development and installation of distributed generation, energy storage,  
487 vehicle electrification systems and building electrification systems.

488 (d) An electric company shall submit its plan for review, input and recommendations to  
489 the Grid Modernization Advisory Council established in section 92C by April 1, 2023, and



490 thereafter in accordance with the schedule filed with the department pursuant to section 94;  
491 provided, that such plans shall be submitted to the Grid Modernization Advisory Council not  
492 later than 90 days before the electric company files its schedule; and provided further, that the  
493 Grid Modernization Advisory Council shall return such plans to the company with  
494 recommendations not later than 45 days before the company files its schedule. An electric  
495 company shall submit its plan, together with a demonstration of the Grid Modernization  
496 Advisory Council's review, input and recommendations, along with a statement of any  
497 unresolved issues, to the department at the time of filing its schedule pursuant to section 94. The  
498 department shall promptly consider the plans and shall provide an opportunity for interested  
499 parties to be heard in a public hearing. The department shall approve within 7 months of  
500 submittal all prudent investments or alternative investments that provide net benefits for  
501 customers proposed in such plans and shall issue a final order directing the company to  
502 implement all approved investments of such plans, including determination of any unresolved  
503 issues identified in the initial filing; provided, that in order to be approved, plans shall  
504 conclusively demonstrate the need for projects subject to review by the energy facilities siting  
505 board pursuant to section 69H and by the department pursuant to section 72. The electric  
506 company shall be permitted to recover all reasonably and prudently incurred costs for  
507 implementing such plans as approved by the department. If an electric company fails to deliver  
508 the projected customer benefits associated with any specific investment or group of investments  
509 during the course of a plan, the department shall prohibit the company from earning a return on  
510 those investments until such time as the company delivers the customer benefits.

511 (e) An electric-sector transformation plan developed by an electric company pursuant to  
512 subsection (a) shall propose discrete, specific, enumerated investments to the distribution system

513 or alternatives to such investments that will facilitate grid modernization, greater reliability and  
514 resiliency, increased enablement of distributed energy resources, increased transportation  
515 electrification, and increased building electrification, in order to meet the statewide greenhouse  
516 gas emissions limits and sublimits under chapter 21N. An electric company shall submit twice  
517 per year reports to the department on the deployment of approved investments and any other  
518 performance metrics included in the approved plans.

519           Section 92C. (a) There shall be a Grid Modernization Advisory Council to consist of the  
520 commissioner of the department of energy resources, or a designee, who shall serve as chair; the  
521 attorney general, or a designee; the commissioner of the department of environmental protection,  
522 or a designee; 13 members to be appointed by the governor: 1 of whom shall be a representative  
523 of residential consumers, 1 of whom shall be a representative from a local agency administering  
524 the low-income weatherization assistance program, 1 of whom shall be a representative of the  
525 environmental advocacy community, 1 of whom shall be a representative of an environmental  
526 justice community organization, 1 of whom shall be a representative of the transmission scale  
527 renewable energy industry with expertise in projects of greater than 20 megawatts, 1 of whom  
528 shall be a representative of the distributed generation scale renewable energy industry with  
529 expertise in projects of less than 5 megawatts, 1 of whom shall be a representative of the energy  
530 storage industry, 1 of whom shall be a representative of the electric vehicle industry, 1 of whom  
531 shall be a representative of the building electrification industry, 1 of whom shall be a  
532 representative of municipal or regional interests, 1 of whom shall have technical and engineering  
533 expertise in interconnecting clean energy, 1 of whom shall be a representative of businesses,  
534 including large commercial and industrial end-use customers; and 1 member from each electric

535 company operating in the commonwealth who shall serve as non-voting members. Members  
536 shall serve for terms of 5 years and may be reappointed.

537 (b) The council shall seek to encourage least-cost investments in the electric distribution  
538 systems or alternatives to the investments that will facilitate the achievement of the statewide  
539 greenhouse gas emission limits and sublimits under chapter 21N and increase transparency and  
540 stakeholder engagement in the grid planning process. The council shall review and provide  
541 recommendations on electric-sector transformation plans developed pursuant to subsection (a) of  
542 section 92B that maximize net customer benefits and will enable cost-effective interconnection  
543 of distributed and transmission-scale renewable energy resources, facilitate electrification of  
544 buildings and transportation, improve grid reliability and resiliency, and reduce impacts on and  
545 provide benefits for environmental justice populations and communities.

546 (c) The council may retain expert consultants; provided, that such consultants shall not  
547 have any current contractual relationship with an electric company operating in the  
548 commonwealth or any affiliate of such electric company.

549 (d) Nothing in this section shall eliminate or modify the obligations otherwise established  
550 by law of electric companies to provide orderly, economic expansion of equipment and facilities  
551 to meet future system demand with acceptable system performance. An electric company shall  
552 not be prohibited by action of the council or otherwise from planning and completing  
553 infrastructure changes, reinforcements or investment projects necessary for the reliability and  
554 resiliency of the transmission and distribution system pending action by the council or the  
555 department on an electric-sector transformation plan developed pursuant to said subsection (a) of  
556 said section 92B.

557 SECTION 19. Section 83B of chapter 169 of the acts of 2008, inserted by section 12 of  
558 chapter 188 of the acts of 2016, is hereby amended by striking out the definitions of “Firm  
559 service hydroelectric generation” and “Long-term contract” and inserting in place thereof the  
560 following 5 definitions:-

561 “Firm energy delivery”, dispatchable non-emitting energy provided in a long-term  
562 contract with guaranteed continuous availability at rated power for 1 or more discrete multi-day  
563 periods of extreme heat and cold weather, low non-dispatchable power production, or other grid  
564 contingencies, as designated by the department of energy resources, to ensure electric reliability  
565 and security in a zero-carbon electric system. Such firm energy delivery may include but shall  
566 not be limited to energy from multiple non-emitting energy generation resources and energy  
567 storage systems managed in a coordinated manner, in addition to other market services.

568 “Firm service hydroelectric generation”, hydroelectric generation provided without  
569 interruption, for 1 or more discrete periods designated in a long-term contract, including, but not  
570 limited to, multiple hydroelectric run-of-the-river generation units managed in a portfolio that  
571 creates firm service through the diversity of multiple units.

572 “Long-duration energy storage system”, an energy storage system, as defined in section 1  
573 of chapter 164 of the General Laws, that is capable of dispatching energy at its full rated capacity  
574 for a period of 5 hours or greater, up to 24 hours.

575 “Long-term contract”, a contract for a period of 15 to 20 years for offshore wind energy  
576 generation pursuant to section 83C or for clean energy generation pursuant to section 83D.

577 “Multi-day energy storage system”, an energy storage system, as defined in section 1 of  
578 chapter 164 of the General Laws, that is capable of dispatching energy at its full rated capacity  
579 for a period greater than 24 hours.

580 SECTION 20. Section 83C of said chapter 169, inserted by said section 12 of said  
581 chapter 188, as most recently amended by section 69 of chapter 24 of the acts of 2021, is hereby  
582 further amended by striking out subsections (a) through (d) and inserting in place thereof the  
583 following 4 subsections:-

584 (a) In order to facilitate the financing of offshore wind energy generation resources in the  
585 commonwealth every distribution company shall jointly and competitively solicit proposals for  
586 offshore wind energy generation; provided, however, that the solicitation process shall not be  
587 deemed uncompetitive by the department of public utilities based solely on the distribution  
588 companies receiving a bid or multiple bids from a single company or its affiliates if the levelized  
589 price per megawatt hour, plus associated transmission costs, of the proposed project is equal to  
590 or less than the levelized price per megawatt hour, plus associated transmission costs, of the  
591 previous procurement; and provided further, if reasonable proposals have been received, each  
592 distribution company shall enter into long-term contracts that are cost-effective and maximize  
593 economic development. Long-term contracts executed pursuant to this section shall be subject to  
594 the approval of the department of public utilities and shall be apportioned among the distribution  
595 companies.

596 (b) The timetable and method for solicitations of long-term contracts shall be proposed  
597 by the department of energy resources in coordination with the distribution companies using a  
598 competitive bidding process, and shall be subject to review and approval by the department of

599 public utilities. The department of energy resources, in coordination with the distribution  
600 companies, shall consult with the attorney general regarding the choice of solicitation methods.  
601 If the department of energy resources and the distribution companies are unable to agree on a  
602 timetable and method for solicitations, the department of energy resources, in consultation with  
603 the independent evaluator, shall make a final determination as to the timetable and methods for  
604 solicitations to be submitted to the department of public utilities for approval. A solicitation may  
605 be coordinated and issued jointly with other New England states or entities designated by those  
606 states. The distribution companies may conduct 1 or more competitive solicitations through a  
607 staggered procurement schedule developed by the department of energy resources in  
608 coordination with the distribution companies; provided, that the schedule shall ensure that the  
609 distribution companies enter into cost-effective long-term contracts for offshore wind energy  
610 generation equal to approximately 5,600 megawatts of aggregate nameplate capacity not later  
611 than June 30, 2027, including capacity authorized pursuant to section 21 of chapter 227 of the  
612 acts of 2018; and provided further, that individual solicitations shall seek proposals for no less  
613 than 400 megawatts of aggregate nameplate capacity of offshore wind energy generation  
614 resources. The staggered procurement schedule developed by the department of energy resources  
615 in coordination with the distribution companies, if applicable, shall specify that a subsequent  
616 solicitation shall occur within 24 months of a previous solicitation. If the department of energy  
617 resources, in consultation with the distribution companies and the independent evaluator,  
618 determines that reasonable proposals were not received pursuant to a solicitation, the department  
619 of energy resources may terminate the solicitation, and may require additional solicitations to  
620 fulfill the requirements of this section. Proposals received pursuant to a solicitation under this  
621 section shall be evaluated by the selection committee established in subsection (o). As part of the

622 evaluation process, the selection committee shall produce a numeric score for each bid's  
623 economic development commitments and for plans for financial and technical assistance to  
624 support wildlife and habitat monitoring; provided, that plans for financial and technical  
625 assistance to support wildlife and habitat monitoring shall represent not less than 5 per cent of a  
626 bid's overall score in the solicitation.

627 (c) In developing proposed long-term contracts, the distribution companies shall consider  
628 long-term contracts for renewable energy certificates, for energy and for a combination of both  
629 renewable energy certificates and energy. A distribution company may decline to pursue a  
630 contract resulting from a proposal if the proposal's terms and conditions would require the  
631 contract obligation to place an unreasonable burden on the distribution company's balance sheet;  
632 provided, however, that the distribution company shall take all reasonable actions to structure the  
633 contracts, pricing or administration of the products purchased under this section in order to  
634 prevent or mitigate an impact on the balance sheet or income statement of the distribution  
635 company or its parent company, subject to the approval of the department of public utilities; and  
636 provided further, that mitigation shall not increase costs to ratepayers. If a distribution company  
637 deems a contract to be unreasonable, the distribution company shall consult with the department  
638 of energy resources and, within 20 days of the date of its decision, submit a filing to the  
639 department of public utilities. The filing shall include, in the form and detail prescribed by the  
640 department of public utilities, documentation supporting the distribution company's decision to  
641 decline the contract as unreasonable. Following a distribution company's filing, and within 4  
642 months of the date of filing, the department of public utilities shall approve or reject the  
643 distribution company's decision and may order the distribution company to reconsider any  
644 contract. The department of public utilities shall take into consideration the recommendations of

645 the department of energy resources concerning the distribution company's decision. The final  
646 contract executed shall be subject to review by the department of public utilities. The department  
647 of energy resources may require additional solicitations to fulfill the requirements of this section.

648 (d) The department of public utilities shall promulgate regulations consistent with this  
649 section. The regulations shall: (1) allow offshore wind developers of offshore wind energy  
650 generation to submit proposals for long-term contracts consistent with this section; (2) require  
651 that a proposed long-term contract executed by the distribution companies under a proposal be  
652 filed with, and approved by, the department of public utilities before becoming effective; (3)  
653 provide for an annual remuneration for the contracting distribution company up to 2.5 per cent of  
654 the annual payments under the contract; provided, that the distribution company demonstrates  
655 either: (i) that the financing cost reduction enabled by entering into the contract as compared to  
656 an uncontracted merchant project is equal to or greater than the requested remuneration rate, or  
657 (ii) that the financial obligation or risk incurred by the distribution company for entering into the  
658 long-term contract support the requested remuneration rate, such provision to be acted upon by  
659 the department of public utilities at the time of contract approval; (4) require associated  
660 transmission costs to be incorporated into a proposal; provided, that to the extent there are  
661 transmission costs included in a bid, the department of public utilities may authorize or require  
662 the contracting parties to seek recovery of such transmission costs of the project through federal  
663 transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory  
664 Commission, to the extent the department finds such recovery is in the public interest; and (5)  
665 require that proposals meet the following criteria: (i) provide enhanced electricity reliability and  
666 energy security; (ii) contribute to reducing winter electricity price spikes; (iii) are cost effective  
667 to electric ratepayers in the commonwealth over the term of the contract, taking into



668 consideration potential economic and environmental benefits to the ratepayers; (iv) avoid line  
669 loss and mitigate transmission costs to the extent possible and ensure that transmission cost  
670 overruns, if any, are not borne by ratepayers; (v) provide optimal interconnection locations; (vi)  
671 adequately demonstrate project viability in a commercially reasonable timeframe; (vii) allow  
672 offshore wind energy generation resources to be paired with energy storage systems, including  
673 new and existing long-duration and multi-day energy storage systems; (viii) include an initial  
674 environmental and fisheries mitigation plan for the construction and operation of such offshore  
675 wind facilities; (ix) mitigate impacts to the marine environment by providing financial and  
676 technical assistance to support robust monitoring of wildlife and habitat through a contribution to  
677 regional research efforts; (x) include benefits to environmental justice populations and low-  
678 income ratepayers in the commonwealth; and (xi) where feasible, create and foster economic  
679 development and quality, high-paying jobs in the commonwealth, including opportunities for  
680 diversity, equity and inclusion.

681 SECTION 21. Said section 83C of said chapter 169, as so amended, is hereby further  
682 amended by striking out subsection (f) and inserting in place thereof the following subsection:-

683 (f) The department of energy resources and the attorney general shall jointly select, and  
684 the department of energy resources shall contract with, an independent evaluator to: (1) monitor  
685 and report on the solicitation and evaluation process; and (2) participate as a member of the  
686 selection committee pursuant to subsection (e). The independent evaluator shall assist the  
687 department of energy resources in determining whether a proposal received pursuant to  
688 subsection (b) is reasonable and to assist the department of public utilities in its consideration of  
689 long-term contracts filed for approval. As a member of the selection committee pursuant to

690 subsection (e), the independent evaluator shall hold equal weight in the selection of winning  
691 bids.

692 To ensure an open, fair and transparent solicitation and bid selection process that is not  
693 unduly influenced by an affiliated company, the independent evaluator shall: (1) issue a report to  
694 the department of public utilities analyzing the timetable and method of solicitation and the  
695 solicitation process implemented by the distribution companies and the department of energy  
696 resources under subsection (b) and include recommendations, if any, for improving the process;  
697 and (2) upon the opening of an investigation by the department of public utilities into a proposed  
698 long-term contract for a winning bid proposal: (i) file a report with the department of public  
699 utilities that summarizes and analyzes the solicitation and evaluation process; and (ii) provide the  
700 independent evaluator's assessment of whether all bids were evaluated in a fair and objective  
701 manner.

702 The independent evaluator shall have access to the information and data related to the  
703 competitive solicitation and bid selection process that is necessary to fulfill the purposes of this  
704 subsection; provided, however, that the independent evaluator shall ensure that all proprietary  
705 information remains confidential. The department of public utilities shall consider the findings of  
706 the independent evaluator and may adopt recommendations made by the independent evaluator  
707 as a condition for approval. If the independent evaluator concludes in the findings that the  
708 solicitation and bid selection of a long-term contract was not fair and objective and that the  
709 process was substantially prejudiced as a result, the department of public utilities shall reject the  
710 winning bid proposal. The department of energy resources shall be reimbursed for cost of the  
711 independent evaluator through non-refundable bid fees required of offshore wind developers as  
712 part of the solicitation process.

713 SECTION 22. Said section 83C of said chapter 169, as so amended, is hereby further  
714 amended by striking out subsection (m) and inserting in place thereof the following 4  
715 subsections:-

716 (m) The plan required in subclause (viii) of clause 5 of subsection (d) shall include, but  
717 shall not be limited to, a detailed description of the best management practices and any on-site or  
718 off-site mitigation the applicant shall employ, informed by the latest science at the time the plan  
719 is made, that will avoid, minimize and mitigate impacts to wildlife, including, but not limited to:  
720 threatened or endangered species such as North Atlantic right whales, coastal and marine  
721 habitats; natural resources; ecosystems; and traditional or existing water-dependent uses,  
722 including, but not limited to, commercial and recreational fishing. The plan shall include pre-  
723 construction and post-construction monitoring to understand the effects of facilities on marine  
724 and avian species.

725 (n) The office of coastal zone management established in section 4A of chapter 21A of  
726 the General Laws, in consultation with the environmental and fisheries working groups  
727 established in section 4A½ of said chapter 21A, shall determine how the funds required in  
728 subclause (ix) of clause 5 of subsection (d) shall be used to advance the responsible development  
729 of the offshore wind energy industry.

730 (o) The winning bid shall be chosen by the selection committee, which shall consider all  
731 proposals and criteria in subsection (d) when making a final decision, as well as technical advice  
732 from the electric distribution companies. The committee shall consist of the following members:  
733 the secretary of energy and environmental affairs, or their designee, who shall be the chair; the  
734 independent evaluator required by subsection (f); the secretary of the executive office of housing

735 and economic development; 1 person appointed by the speaker of the house of representatives,  
736 who shall not be a member of the general court; and 1 person appointed by the president of the  
737 senate, who shall not be a member of the general court. No member of the selection committee  
738 shall have a financial interest in any company or affiliated company that has submitted a bid or  
739 multiple bids. The selection committee shall give preference to proposals that demonstrate  
740 benefits from: (i) the greatest economic development and employment contributions to the  
741 commonwealth, including opportunities for diversity, equity and inclusion; (ii) the avoidance,  
742 minimization and mitigation of impacts to wildlife, natural resources, ecosystems, commercial  
743 and recreational fishing and other traditional or existing water-dependent uses; (iii) resources  
744 able to guarantee firm energy delivery; (iv) energy storage, including new and existing long-  
745 duration and multi-day energy storage systems; (v) commitments to enter into long-term  
746 contracts with businesses, nonprofit organizations, a municipality or group of municipalities with  
747 an approved municipal load aggregation plan pursuant to section 134 of chapter 164 of the  
748 General Laws or other government entities directly to purchase offshore wind energy; provided,  
749 that said contracts may be in addition to the long-term contracts entered into by distribution  
750 companies under this section; and (vi) the use of a project labor agreement with the appropriate  
751 labor organization for construction, renovation, reconstruction, alteration, installation,  
752 demolition, expansion, maintenance and repair.

753 (p) If this section is subjected to a legal challenge, the department of public utilities may  
754 suspend the applicability of the challenged provision during the pendency of the action until a  
755 final resolution, including any appeals, is obtained and shall issue an order and take other actions  
756 as are necessary to ensure that the provisions not subject to the challenge are implemented  
757 expeditiously to achieve the public purposes of this section.

758 SECTION 23. (a) Notwithstanding any general or special law to the contrary, the  
759 department of energy resources shall, not later than June 1, 2022, competitively solicit and  
760 procure proposals for offshore wind energy transmission sufficient to deliver energy generation  
761 procured pursuant to subsection (b) of section 83C of chapter 169 of the acts of 2008 from  
762 designated wind energy areas for which a federal lease was issued on or after January 1, 2012,  
763 that shall be developed independent of such offshore wind energy generation; provided, that  
764 offshore wind developers, as defined in section 83B of said chapter 169 shall be permitted to  
765 submit proposals pursuant to this section; provided further, that such transmission service shall  
766 be made available for use by more than 1 wind energy generation project; and provided further,  
767 that the department shall coordinate with the department of public utilities, electric distribution  
768 companies, other New England states or entities designated by those states and ISO New  
769 England, Inc. or a successor organization, in the solicitation and procurement of proposals for  
770 offshore wind energy transmission. The department shall be permitted to select 1 proposal,  
771 multiple proposals, or no proposals.

772 (b) In conducting the procurement for offshore wind energy transmission, the department  
773 of energy resources shall take into consideration the total amount of transmission needed to  
774 achieve the commonwealth's offshore wind and decarbonization goals as well as demonstrable  
775 benefits to the consumer and environment and in terms of electric system reliability and avoided  
776 upgrade costs to the existing transmission grid. The department shall consider proposals that  
777 include, but shall not be limited to, upgrading the existing grid, extending the grid closer to  
778 offshore wind locations, determining optimal landfall approaches or interconnecting between  
779 offshore substations.

780 (c) Not later than December 31, 2022, the department of energy resources shall submit a  
781 report to the clerks of the house of representatives and the senate and the chairs of the joint  
782 committee on telecommunications, utilities and energy, that: (1) outlines the design and conduct  
783 of the solicitation and procurement process; (2) identifies and recommends any improvements to  
784 the solicitation and procurement process; and (3) provides, in the event that the department does  
785 not choose a proposal, a comprehensive explanation of their decision, including the extent to  
786 which the department's consideration of factors in subsection (b) played a role in said decision.

787 SECTION 24. (a) Notwithstanding any general or special law to the contrary, there shall  
788 be established an Offshore Wind Transmission Working Group for the purposes of providing a  
789 comprehensive cost analysis of any transmission infrastructure upgrades sufficient to deliver  
790 offshore wind energy generation procured pursuant to subsection (b) of section 83C of chapter  
791 169 of the acts of 2008 and providing policy recommendations that may be needed to facilitate  
792 and equitably recover costs of such upgrades.

793 (b) The working group shall consist of 15 members or their designees: 1 of whom shall  
794 be the chair of the department of public utilities, or their designee, who shall serve as co-chair; 1  
795 of whom shall be the commissioner of energy resources, who shall serve as co-chair; 1 of whom  
796 shall be the attorney general, or their designee; 2 of whom shall be the co-chairs of the joint  
797 committee on telecommunications, utilities, and energy, or their designees; 4 of whom shall be  
798 appointed by the governor from a list of persons submitted by the following organizations and  
799 associations: the Associated Industries of Massachusetts, Inc., the National Consumer Law  
800 Center, Inc., the Acadia Center, and the Northeast Clean Energy Council, Inc.; and 6 persons to  
801 be appointed by the governor, 2 of whom shall be representatives from the offshore wind  
802 industry, 1 of whom shall have knowledge of electricity transmission, distribution, generation

803 and power supply, 1 of whom shall be a representative of municipal interests or a regional public  
804 entity, 2 of whom shall be representatives of Massachusetts investor-owned utilities. A vacancy  
805 on the working group shall be filled in the manner in which the original appointment was made.  
806 Members of the working group shall receive no compensation for their services. The working  
807 group may request from all state agencies such information and assistance as the task force may  
808 require.

809 (c) The working group shall assess and report to the general court on any necessary  
810 transmission upgrades that may be required to support the deployment of 5,600 megawatts of  
811 offshore wind by June 30, 2027 as well as additional regional offshore wind projects that may  
812 interconnect into the commonwealth. This assessment shall consider both in-state transmission  
813 upgrades as well as any regional transmission upgrades that may be necessary to accommodate  
814 the commonwealth's offshore wind requirements and shall provide recommendations on any  
815 approvals that may be necessary by ISO New England Inc. and the Federal Energy Regulatory  
816 Commission to fund such upgrades. The assessment shall include a cost-benefit analysis to  
817 identify regulatory and legal challenges associated with streamlining tariff approvals to  
818 accommodate increased offshore wind penetration across New England. The working group shall  
819 also assess and review cost-allocation measures adopted in other jurisdictions that aim to spread  
820 transmission upgrade costs equitably among developers and across the region. The working  
821 group shall meet periodically and shall solicit technical assistance from additional electric  
822 companies, consumer organizations, as well as regional energy market participants, including the  
823 New England States Committee on Electricity, Inc.

824 (d) The working group shall convene its first meeting not later than September 1, 2022  
825 and shall submit its final report, along with any recommendations for legislative or regulatory

826 reforms not later than December 31, 2022 to the clerks of the house of representatives and the  
827 senate and the chairs of the joint committee on telecommunications, utilities and energy.

828 SECTION 25. Notwithstanding any general or special law to the contrary, each  
829 distribution company, as defined in section 1 of chapter 164 of the General Laws, shall, not later  
830 than December 31, 2022, file with the department of public utilities either: (i) at least 1 electric  
831 rate tariff, which addresses operational parameters, to apply to energy storage systems  
832 interconnected to their distribution network; or (ii) a notice of its intent to promptly file with the  
833 Federal Energy Regulatory Commission a wholesale distribution service rate schedule to apply  
834 to standalone energy storage systems that are interconnected to their distribution network but are  
835 transacting in New England's wholesale electricity markets. The distribution companies shall  
836 identify the costs to the distribution network not recouped through project sponsor-funded  
837 interconnection upgrades or otherwise paid directly by the project sponsor and design rates to  
838 recoup the distribution company's net costs in a similar manner to how they are incurred by the  
839 distribution company, without unduly impeding the participation of energy storage systems in  
840 power markets and other uses of such systems that provide benefits to the electric grid.

841 SECTION 26. (a) Notwithstanding any general or special law to the contrary, the  
842 department of energy resources, in consultation with the Massachusetts clean energy technology  
843 center, shall study how to optimize the deployment and utilization of both new and existing long-  
844 duration and multi-day energy storage systems in the commonwealth capable of absorbing  
845 energy, storing it for a period of time and thereafter dispatching the energy for a minimum period  
846 of 5 hours for long-duration energy storage and for a minimum period of 24 hours for multi-day  
847 energy storage and investigate the necessity, benefits and costs of requiring distribution  
848 companies, as defined in section 1 of chapter 164 of the General Laws, to jointly and



849 competitively conduct energy storage systems solicitations and procurements of up to 4,800  
850 gigawatt hours of stored energy from renewable generation delivered to periods of high demand  
851 each year.

852 (b) The goal of said energy storage systems shall be to: (i) contribute to compliance with  
853 the statewide greenhouse gas emissions limits and sublimits under chapter 21N of the General  
854 Laws, including, but not limited to, the sublimit of electric power, pursuant to section 3A of said  
855 chapter 21N; (ii) promote the integration of offshore wind energy; (iii) enable firm energy  
856 delivery from renewable energy resources during periods of low energy demand to periods of  
857 high energy demand; (iv) enhance the reliable delivery and security of electricity to consumers;  
858 and (v) minimize ratepayer costs. The study shall determine the performance of said systems  
859 under frequent deployment, barriers to deployment or utilization and incentives and programs  
860 that could facilitate their deployment or utilization. The department of energy resources shall  
861 provide recommendations to the secretary of energy and environmental affairs not later than 6  
862 months after the effective date of this act, including numerical deployment targets for both new  
863 and existing long-duration and multi-day energy storage systems to optimize the use of these  
864 systems, which the secretary shall incorporate into the setting of numerical benchmarks for  
865 energy storage capacity pursuant to clause (xi) of section 5 of said chapter 21N. The department  
866 of energy resources shall submit said recommendations to the clerks of the house of  
867 representatives and senate and to the chairs of the joint committee on telecommunications,  
868 utilities, and energy.

869 (c) If the study finds it beneficial to the commonwealth, the department of energy  
870 resources shall require solicitations and procurements in accordance with the study  
871 recommendations; provided, that the procurements shall: (i) contribute to compliance with

872 statewide greenhouse gas emissions limits and sublimits under said chapter 21N; (ii) promote the  
873 integration of offshore wind energy; (iii) transport energy from periods of low energy demand to  
874 periods of high energy demand; provided, that such transportation is coordinated with the  
875 renewable generation produced in lower demand periods under solicitations performed pursuant  
876 to subsection (b) of section 83C of chapter 169 of the acts of 2008; (iv) enhance the reliable  
877 delivery of electricity to Massachusetts consumers; and (v) minimize ratepayer costs.

878 (d) The department of energy resources shall promulgate regulations to implement this  
879 section, including, but not limited to, the methodology by which distribution companies shall  
880 develop solicitations pursuant to this section.

881 SECTION 27. Notwithstanding any general or special law to the contrary, any funds not  
882 expended prior to the effective date of this act in the Offshore Wind Energy Career Training  
883 Trust Fund established in section 14 of chapter 23J of the General Laws shall be transferred by  
884 the comptroller from said fund to the Massachusetts Offshore Wind Industry Investment Trust  
885 Fund established in section 9A of said chapter 23J.

886 SECTION 28. (a) Notwithstanding any general or special law to the contrary, the  
887 department of elementary and secondary education, in consultation with the executive office of  
888 labor and workforce development, shall develop and implement a pilot program for the purpose  
889 of helping students acquire academic and technical skills that will prepare them for high-skill,  
890 high-demand jobs in the commonwealth in the offshore wind industry identified pursuant to  
891 section 23 of chapter 26 of the General Laws; provided, that programming shall include jobs in  
892 the offshore wind supply chain, including, but not limited to, manufacturing, construction,

893 assembly, shipping and operations and maintenance, and any additional credentialed  
894 programming in support of the offshore wind industry.

895 (b) The department shall reimburse each school district at a rate of: (i) \$750 for each  
896 student in the district who earns an offshore wind industry-recognized certification for an  
897 occupation that has a high employment value or relevant industry-recognized certification that is  
898 recognized by any public institution of higher learning in the commonwealth as a basis for  
899 academic credit at such institution, and (ii) \$600 for each student in the district who earns an  
900 industry-recognized certification in the offshore wind industry that does not meet the criteria of  
901 clause (i) but addresses regional demands identified by the local MassHire Workforce Board.  
902 Any school district receiving a certification award for the offshore wind industry pilot  
903 credentialing program shall allocate at least 80 per cent of any certification award to the school  
904 whose students obtained the qualifying certification; provided, that the allocation may not be  
905 used to supplant funds otherwise provided for the basic operation of the school; and provided  
906 further, that any school receiving a certification award shall use the award to support or maintain  
907 the program, including the payment of stipends for instructors and the subsidization of fees for  
908 low-income students to obtain the certification. The department shall develop the criteria  
909 necessary to carry out the offshore wind industry pilot credentialing program and may  
910 promulgate any regulations necessary to operate the pilot program.

911 (c) Not later than February 1, 2023, and annually thereafter, the department of elementary  
912 and secondary education shall submit an annual report on the progress of the pilot program  
913 established pursuant to subsection (a), including, but not limited to: (i) the number of public  
914 school students participating in the pilot seeking certifications for high-skill, high-demand  
915 occupations in the offshore wind industry; (ii) the number of such students participating in the

916 pilot who are low-income, English language learners and students with disabilities; (iii) the  
917 specific types of certifications earned by students, including the number of each such  
918 certification earned; and (iv) recommendations on how to bring high-skill, high-demand  
919 credentialing programs to scale statewide, including any necessary funding considerations.

920 (d) Notwithstanding any general or special law to the contrary, the Massachusetts clean  
921 energy technology center shall transfer \$3,000,000 from the Massachusetts Offshore Wind  
922 Industry Investment Trust Fund established under section 9A of chapter 23J of the General Laws  
923 to the department of elementary and secondary education; provided, that said funds shall also be  
924 expended by the department to reimburse school districts for initial costs incurred as a result of  
925 participation in the pilot program, including, but not limited to, the acquisition of required  
926 materials and equipment and the hiring of qualified teachers.

927 SECTION 29. Notwithstanding any general or special law to the contrary, the department  
928 of public utilities shall implement the requirements in subsection (a) of section 92B of chapter  
929 164 of the General Laws within 30 days of the effective date of this act.

930 SECTION 30. Notwithstanding any general or special law to the contrary, the governor  
931 shall make appointments to the Grid Modernization Advisory Council established in section 92C  
932 of chapter 164 of the General Laws within 30 days of the effective date of this act.

933 SECTION 31. Notwithstanding any general or special law to the contrary, the office of  
934 coastal zone management shall establish an environmental working group and a fisheries  
935 working group pursuant to subsection 4A½ of chapter 21A of the General Laws by June 1, 2022.

936 SECTION 32. Section 14 shall take effect on July 31, 2032.