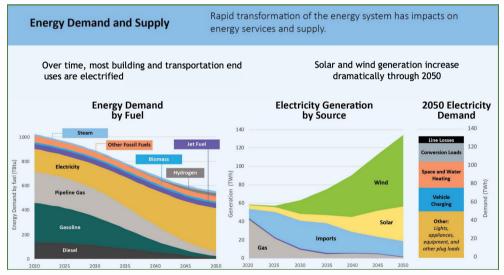
MA is Ready for Offshore Wind

INTRODUCTION

Massachusetts is ready for offshore wind. We believe that through responsible development and authentic community engagement that empowers community members, we can aid and accelerate the transition to renewable energy. This will take advocacy from all levels, and it starts with awareness. This information sheet is designed to get you started with the information you need to understand the issues and begin the conversations. Each one of us has the power to add to our collective voice and move our communities toward equitable, just wind power.

WHY WIND?

Our state has seen the impacts of climate change through increasing heat, pollution-driven health impacts, infrastructure damage from flooding, coastal flooding, and natural resource degradation. These trends will continue to get worse [source]. In alignment with the state's 2050 Decarbonization Roadmap, we must shift off fossil fuels across all energy sectors to stop climate change and roll back pollution in our communities. Massachusetts has amazing wind resources offshore that can not only drive our state's transition off fossil fuels, but also create a strong new industry bringing in jobs and community benefits.



The state's Decarbonization Roadmap focuses on electrification powered by renewable energy to drive down fossil fuel use and harmful emissions. [source]

OFFSHORE WIND'S COMMUNITY IMPACTS

Offshore wind involves turbine arrays and infrastructure deployed in federal waters miles from land with subsea cables exporting energy to the mainland grid and end users, but its development still requires onshore infrastructure (e.g., cable landings, underground cables or overhead lines, and substations). Martha's Vineyard and Nantucket are powered by similar infrastructure delivering energy from the mainland grid to these offshore communities [source].

SIERRA CLUB

This new infrastructure should leverage Community Benefits Agreements (CBAs) to ensure that development directly benefits host communities. Further, CBAs should be developed with diverse representation from the community so benefits are properly distributed and meet local needs. Representative committees can articulate the benefits that will best mitigate adverse impacts, improve quality of life for the most impacted residents, and address historical inequities.

For the Vineyard Wind 1 project, community groups and officials on Martha's Vineyard collaborated with the developers throughout the siting and permitting process to secure a range of benefits, including investments in job creation for local residents, port infrastructure, and on-bill energy savings for low-income and traditionally under-represented communities.

In Barnstable, town officials worked closely with the developers to leverage deployment of Vineyard Wind 1's underground cable by installing needed wastewater collection infrastructure at greatly reduced costs, saving taxpayers \$6-8 million to date. Additionally, the town negotiated direct payments from the developer worth "\$1.5 million in any given year...or \$32 million for the first 25 years, plus taxes." [source] However, subsequent projects with cable landings planned in Barnstable are facing headwinds due in part to the lack of direct community engagement in CBA negotiations.

In Salem, frontline community groups came together to demand a seat at the table during the planning of offshore wind port facilities, with great results. This included job development (investments in school), childcare, housing, and more. Salem also included an accountability committee that will meet to ensure that all obligations are fulfilled, an often overlooked piece of CBAs.

Job development in local communities is a key benefit of offshore wind. The White House assessment of offshore wind impact nationally includes "more than 44,000 workers employed in offshore wind by 2030 and 33,000 additional jobs in communities supported by offshore wind activity" [source]. The portion of that claimed by MA's first round of offshore wind sourcing was estimated at "6,800 to 9,800 total job-years employment (a job-year is one full-time job for one year) during construction and installation" [source]. This number will expand as wind capacity grows. The Vineyard Wind 1 project, which achieved first power in early 2024 and is scheduled for construction completion in late 2024 or early 2025, has already exceeded its Project Labor Agreement commitment to 500 union jobs, reporting 937 jobs in its first two years of construction [source].

OFFSHORE WIND PLANNING & DEVELOPMENT PROCESS

To meet the goals in the Roadmap, the Commonwealth must contract 5,600 megawatts of offshore wind by 2027 [source]. All offshore wind projects must progress through a series of leasing, siting, and permitting processes starting at the federal level and proceeding to state and municipal levels. The Bureau of Ocean Energy Management (BOEM) is the first stop for offshore wind project developers. The Bureau completes reviews of proposed wind resource areas and projects including technical, environmental, and community impact reviews of construction and operations plans, and it issues leases followed by permits [overview video].

To date, BOEM has issued active leases for an area south of Cape Cod including final approvals for operational projects, and is in the planning phase for an area in the Gulf of Maine east of Boston and to the northeast of Cape Cod.

Current projects in the wind resource area south of the Cape include some being developed to supply energy to MA and others serving RI, CT, and NY. The projects are in different phases of development, and the landscape is dynamic. As of mid March 2024, active projects ranged from South Fork Wind (full commercial operation) and Vineyard Wind 1 (partial commercial operation), to Revolution Wind (cable landing construction), to Park City Wind, Commonwealth Wind, SouthCoast Wind, Sunrise Wind, Vineyard Northeast, Beacon Wind, and Bay State Wind (under development and permitting).



Massachusetts is a hub of present and planned offshore wind development activity. [source]

While BOEM leads permitting of project infrastructure in federal waters, portions of subsea export cables, landing sites, and other onshore infrastructure are subject to state permitting and lower-level reviews.

The current process includes:

- Review and approval by the state Energy Facilities Siting Board, including coordination of other state agency reviews
- Review and approval by regional entities where applicable, e.g., the Cape Cod Commission "Development of Regional Impact" (DRI) review [link]
- Review and approval by local authorities, e.g., Conservation Commission



In addition to navigating through multi-level leasing, siting, and permitting processes, offshore wind developers need power purchase agreements with utilities to provide the guaranteed revenue stream needed to secure financing for construction. In Massachusetts, the ongoing offshore wind procurement process is managed by the Department of Energy Resources (DOER), with the Department of Public Utilities (DPU) involved in reviewing any accepted bids and approving the resultant utility contracts. Once a project is selected and its contract is approved, it can seek to close financing and move forward toward construction.

The current bid cycle–which involves Massachusetts, Rhode Island, and Connecticut–allows developers of the Park City, Commonwealth, and South Coast projects to re-bid their pricing and other terms due to economic impacts (supply chain, inflation & interest rates) that made previously approved contract prices no longer viable. The current cycle authorizes procurement of 3,600 new megawatts of wind power by Massachusetts from multiple projects. Winning bidders will be selected on August 7, 2024 (<u>Bids</u>).

On March 27, 2024, four developers submitted bids in response to the tri-state solicitation, as follows:

- Avangrid: New England 1, 791 MW (formerly Park City Wind), submitted to all three states; and New England 2, 1080 MW (formerly Commonwealth Wind), also submitted to all three states.
- Vineyard Offshore: Vineyard Wind 2, 1200 MW, submitted to all three states.
- Ocean Winds: SouthCoast Wind, 1200 MW, submitted to all three states.
- Orsted: Starboard Wind, 1184 MW, submitted to CT and RI only.

With the exception of Orsted, each of these projects includes preferred or potential cable landing and interconnection sites in Massachusetts.

CONCLUSION

Across all of these review and approval processes, individual agencies, officials, towns, and municipalities retain significant influence and/or control with the ability to enable, delay, or prevent projects from moving forward.

Success or failure in negotiating CBAs can be determinative, which is why continued and visible local support for offshore wind-along with effective advocacy focused on localizing benefits within host communities and regions-is vital for getting offshore wind projects built and for meeting the Commonwealth's near- and long-term climate policy commitments.

This information sheet was compiled by the Climate Research Team of the Massachusetts Chapter of the Sierra Club. If you have any questions or concerns or would like to connect about this campaign, please contact us at <u>chapter@massachusetts.sierraclub.org</u>