

HOUSE No. 4524

House bill No. 4515, as changed by the committee on Bills in the Third Reading and as amended and passed to be engrossed by the House. March 3, 2022.

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 4A^{1/2}. The office of coastal zone management, in consultation with the
4 division of marine fisheries established in section 1A of chapter 130, shall establish: (1) an
5 environmental working group; and (2) a fisheries working group. Each working group shall be
6 comprised of key experts and stakeholders to provide input on best practices for avoiding,
7 minimizing and mitigating impacts to wildlife, including, but not limited to, threatened or
8 endangered species, such as North Atlantic right whales, coastal and marine habitats, natural
9 resources and ecosystems; traditional or existing water-dependent uses, including, but not limited
10 to, commercial and recreational fishing during the construction and operation of facilities; and

11 job training for opportunities in the offshore wind industry. The environmental and fisheries
12 working groups shall conduct an ongoing review of implemented monitoring and mitigation
13 programs and provide feedback and recommendations on an as-needed basis, to be considered by
14 the office, in consultation with the division of marine fisheries. Pre-construction engagement of
15 the working groups shall correspond with project development, solicitation and permitting and a
16 process to determine federal consistency with approved coastal management programs. The
17 director of marine fisheries shall include in its annual report a report of the fisheries working
18 group.

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

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

24 (b) For the purpose of promoting access to academic and technical skills that prepare the
25 workforce for high-skill, high-demand occupations in the commonwealth, the executive office of
26 labor and workforce development shall provide the department of elementary and secondary
27 education, annually, not later than February 1, a list of occupations in high-skill, high-demand
28 industries in the commonwealth that either require an industry-recognized certification or for
29 which such certification will materially enhance a job applicant’s opportunities for employment
30 or increased compensation. The list shall include, but not be limited to: (i) the related workforce
31 needs and shortages in each region of the commonwealth; and (ii) recommendations on potential
32 courses and programming in public schools that can effectively contribute to providing

33 credentials for high-skill, high-demand industries in the commonwealth. The list shall include
34 occupations with high employment value; provided, that the top 20 per cent of occupations shall
35 be high-skill, high-demand occupations; provided, however, that no occupation shall be included
36 on the list which has an annual salary or wage in an amount less than 70 per cent of the average
37 annual salary or wage in the commonwealth, unless the certification for such an occupation is
38 stackable to another industry certification and required for the next level of occupation which
39 does meet the 70 per cent wage criterion.

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

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

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

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

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

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

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

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

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

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

70 (b) The center shall be governed and its corporate powers exercised by a board of
71 directors consisting of 15 directors: 1 of whom shall be the secretary of energy and
72 environmental affairs or their designee, who shall serve as a chair; 1 of whom shall be the
73 secretary of housing and economic development or their designee; 1 of whom shall be the
74 secretary of administration and finance or their designee; 1 of whom shall be the secretary of
75 labor and workforce development or their designee; 1 of whom shall be the president of the

76 University of Massachusetts or their designee; 1 of whom shall be the executive director of the
77 Massachusetts Workforce Alliance, Inc.; 1 of whom shall be the commissioner of the department
78 of energy resources; 2 of whom shall be appointed by the speaker of the house of representatives,
79 1 of whom shall be a union representative and 1 of whom shall be the president of a
80 Massachusetts state university or college; 2 of whom shall be appointed by the senate president,
81 1 of whom shall have knowledge of electricity distribution, generation, supply or power
82 marketing; and 3 of whom shall be appointed by the governor, 1 of whom shall be a venture
83 capitalist or a chief executive officer of a Massachusetts-based clean energy corporation with
84 expertise in clean energy technologies in the commonwealth, 1 of whom shall be the president of
85 a Massachusetts community college or their designee and 1 of whom shall be the president of a
86 Massachusetts private college or university or their designee. Each of the 3 directors appointed
87 by the governor, the 2 directors appointed by the speaker of the house of representatives and the
88 2 directors appointed by the senate president shall serve for a term of 5 years. A director shall be
89 eligible for reappointment. A director may be removed from their appointment by the governor
90 for cause. A person appointed to fill a vacancy in the office of an appointed director of the board
91 shall be appointed in a like manner and shall serve for only the unexpired term of the director.

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

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

97 (32) to serve as a focal point, and provide state-wide coordination, for offshore wind
98 initiatives; provided, that said responsibilities shall include, but shall not be limited to: (i)
99 working with public and private higher education institutions in the commonwealth to coordinate
100 and strengthen offshore wind research activities in the commonwealth; (ii) strengthening
101 collaborative research and development between higher education institutions and companies
102 located within the commonwealth; (iii) addressing critical barriers facing offshore wind
103 companies in the commonwealth; (iv) assessing and reporting on infrastructure requirements that
104 support the growing offshore wind industry in the commonwealth; (v) supporting the growth of
105 an offshore wind supply chain in the commonwealth; (vi) supporting and developing offshore
106 wind training initiatives; and (vii) supporting and growing offshore wind innovation and
107 entrepreneurship in the commonwealth.

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

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

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

143 state revenue, employment growth, and applicable capital investment projections, as specified in
144 the certification proposal, over the period for which it receives benefits.

145 (c)(1) Certification granted pursuant to subsection (b) shall be valid for 5 years starting
146 with the tax year in which certification is granted. Each certified offshore wind company shall
147 file an annual report with the center and the department of revenue detailing whether it has met
148 the specific targets established in the proposal pursuant to clause (i) of subsection (b).

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

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

166 (d) There shall be established an offshore wind tax incentive program. The center, in
167 consultation with the department of revenue, may annually authorize incentives, including those
168 established in subsections (aa) and (bb) of section 6 of chapter 62 and sections 38KK and 38LL
169 of chapter 63, that shall not exceed \$50,000,000 annually. The center, in consultation with the
170 department of revenue, may limit the incentives to a specific dollar amount or time duration or in
171 any other manner deemed appropriate by the department of revenue; provided, however, that the
172 department of revenue shall only allocate the incentives among certified offshore wind
173 companies.

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

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

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

187 Section 9A. (a) There shall be established and placed within the center a trust fund to be
188 known as the Massachusetts Offshore Wind Industry Investment Trust Fund to be held by the
189 center separate and apart from its other funds. The trust fund shall be credited with: (i) any
190 appropriations, bond proceeds or other monies authorized by the general court and specifically
191 designated to be credited thereto; (ii) amounts collected and designated for deposit into the trust
192 fund pursuant to section 20 of chapter 25; (iii) funds from public and private sources and other
193 gifts, grants and donations; and (iv) any income derived from the investment of amounts credited
194 to the trust fund. All amounts credited to the trust fund shall be held in trust and used solely for
195 activities and expenditures consistent with the public purpose of the trust fund pursuant to
196 subsection (b), and the ordinary and necessary expenses of administration and operation
197 associated with the trust fund. All available monies in the trust fund that are unexpended at the
198 end of each fiscal year shall not revert to the General Fund and shall be available for expenditure
199 in the subsequent fiscal year.

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

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

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

209 (3) promote offshore wind innovation;

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

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

214 (6) provide funds for workforce training to prepare individuals for offshore wind careers
215 to: (i) state and municipal public higher education institutions, private higher education
216 institutions, and vocational-technical education institutions for the adoption of basic safety
217 training and basic technical training programs; provided, that the center shall prioritize awards to
218 education institutions seeking accreditation in internationally recognized training standards,
219 including, but not limited to, standards developed by the Global Wind Organisation; (ii) state and
220 municipal public higher education institutions, private higher education institutions, and
221 vocational-technical education institutions for the development, expansion and promotion of
222 offshore wind professional certificate programs and courses tailored to careers in the offshore
223 wind industry for students in associate and baccalaureate degree programs; (iii) state and
224 municipal public higher education institutions, private higher education institutions, and
225 vocational-technical education institutions for the sponsorship of award, scholarship and paid
226 internship programs to support the education and training of individuals seeking careers in the

227 offshore wind industry; provided, that the center shall prioritize the promotion of careers in the
228 skilled trades, water transportation, operations and maintenance and other occupations that the
229 center identifies as high priority; and (iv) regional employment boards to develop a regional
230 strategy to support the development of the offshore wind industry and to publish their findings as
231 an addendum to their workforce development blueprints; provided, that recipients of funds under
232 this clause shall demonstrate a commitment to workforce training for members of socially or
233 economically disadvantaged communities; (7) leverage funds to secure future federal funding
234 to support the offshore wind industry;

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

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

239 (10) authorize, by a vote of the board, and operate a program to secure, leverage, or
240 otherwise guarantee long-term purchases of energy and renewable energy certificates from
241 offshore wind developers for direct sale, or resale by the center, to a municipality or group of
242 municipalities with an approved municipal load aggregation plan pursuant to section 134 of
243 chapter 164, aggregations pursuant to section 137 of said chapter 164 and other private
244 aggregations with plans approved by the center; and

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

246 (c) In furtherance of the public purposes set forth in subsection (b), the center may
247 expend monies from the trust fund to: (i) make grants, contracts, loans, equity investments,
248 energy production credits, bill credits or rebates available to customers; (ii) provide financial or

249 debt service obligation assistance; or (iii) take any other action, in such forms, under such terms
250 and conditions and under such selection procedures as the center deems appropriate and
251 otherwise in a manner consistent with good business practices; provided, that the center shall
252 conduct, when practicable, competitive procurements; provided further, that the center shall
253 endeavor to leverage the full range of resources, expertise and participation of other state and
254 federal agencies and instrumentalities in the design and implementation of programs conducted
255 pursuant to this section; and provided further, that the board shall determine and incorporate into
256 the minutes of its proceedings a finding that any such action is calculated to advance the public
257 purpose and public interests set forth in this section.

258 (d) The center shall make no expenditure from the trust fund unless: (i) the expenditure
259 has been approved by a majority vote of the board; (ii) the recipient is an offshore wind company
260 or offshore wind organization; provided, that an offshore wind company that has not been
261 certified pursuant to section 8A shall not receive an award in an amount greater than \$5,000,000;
262 (iii) the center finds, to the extent possible, that a definite benefit to the commonwealth's
263 economy may reasonably be expected from said expenditure; and (iv) the expenditure conforms
264 with any rules the board may adopt to administer the trust fund. In evaluating a request or
265 application for funding, the center shall consider the following: (i) the appropriateness of the
266 project; (ii) whether the project has significant potential to expand employment; (iii) the project's
267 potential to enhance technological advancements; (iv) the project's potential for leveraging
268 additional funding or attracting resources to the commonwealth; and (v) the project's potential to
269 promote manufacturing in the commonwealth.

270 (e) Subject to the approval of the board and not inconsistent with any strategic or annual
271 operational plans, investment activity of monies from the trust fund by the center may include:

272 (i) an equity fund to provide risk capital to offshore wind companies, offshore wind
273 organizations and projects; (ii) a debt fund to provide loans to offshore wind companies, offshore
274 wind organizations, projects, intermediaries and end-users; and (iii) a market growth assistance
275 fund to be used to attract private capital to the equity and debt funds. To implement these
276 investment activities, the center may retain, through a bid process, public or private sector
277 investment fund managers, who shall have prior knowledge and experience in fund management
278 and possess related skills in offshore wind, renewable energy and related technologies
279 development, to direct the investment activity described in this section and to seek other fund co-
280 sponsors to contribute public and private capital from the commonwealth and other states;
281 provided, however, that such capital shall be appropriately segregated. Subject to the approval of
282 the board, the managers may retain necessary services and consultants to carry out the purposes
283 of the trust fund. The managers shall develop a business plan to guide investment decisions
284 which shall be approved by the board before any expenditure from the trust fund and which shall
285 be consistent with the plan for the trust fund as adopted by the board.

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

289 SECTION 11A. Said chapter 23J is hereby further amended by striking out section 13, as
290 inserted by section 14 of chapter 8 of the acts of 2021, and inserting in place thereof the
291 following section:-

292 Section 13. (a) There shall be within the center a clean energy equity workforce and
293 market development program to provide workforce training, educational and professional

294 development, job placement, startup opportunities and grants promoting participation in the
295 commonwealth's, energy efficiency, clean energy, and clean heating and cooling industries to:
296 (i) certified minority-owned and women-owned small business enterprises; (ii) individuals
297 residing within an environmental justice community; and (iii) current and former workers from
298 the fossil fuel industry. The program shall: (i) identify the employment potential of the energy
299 efficiency and clean energy industries and the skills and training needed for workers in those
300 fields; (ii) maximize energy efficiency and clean energy employment opportunities for certified
301 minority-owned and women-owned small business enterprises and individuals residing within an
302 environmental justice community; (iii) identify barriers to deployment of clean energy and
303 energy storage resources to certified minority-owned and women-owned small business
304 enterprises; (iv) recommend near-term deployment targets consistent with the state's clean
305 energy and climate change requirements and awarding incentives to deploy said resources; (v)
306 focus on the employment potential, skills and training, and employment opportunities for
307 certified minority-owned and women-owned small business enterprises within the offshore wind
308 industry; and (vi) make recommendations to the general court for policies to promote
309 employment growth and access to jobs in the clean energy industry.

310 (b) There shall be a program coordinator to administer the program established in
311 subsection (a). In addition to the purposes set forth in subsection (a), the program coordinator
312 shall prepare guidance on best practices to promote diversity, equity, and inclusion opportunities
313 in the offshore wind industry. Offshore wind developers, as defined in section 83B of chapter
314 169 of the acts of 2008, may consult the program coordinator in the development of diversity,
315 equity and inclusion opportunity provisions within their proposals pursuant to subclause (xi) of
316 clause 5 of subsection (d) of chapter 83C of said chapter 169, and the program coordinator shall

317 provide feedback and recommendations. The program coordinator shall produce an annual report
318 detailing: (i) the activities of the clean energy equity workforce and market development
319 program; (ii) the progress on workforce diversity plans and a supplier diversity program plans
320 submitted by offshore wind developers pursuant to said clause 5 of said subsection (d) of said
321 section 83C of said chapter 169; and (iii) plans for continued programming by the center to
322 achieve the commonwealth's diversity, equity and inclusion goals.

323 (c) The department of public utilities shall annually direct the electric and gas distribution
324 companies and municipal aggregators with certified energy plans to jointly transfer funds
325 collected pursuant to section 19 of chapter 25 to the center for the purposes of implementing the
326 clean energy equity workforce and market development program; provided, that the electric and
327 gas distribution companies and municipal aggregators with certified energy plans shall transfer
328 not less than \$12,000,000 no later than December 31 each year. Such transfer shall not reduce
329 the amount expended on low-income programs pursuant to subsection (c) of said section 19 of
330 said chapter 25.

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

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

336 (a) The department shall require a mandatory charge of 14.65 mill per therm for all
337 natural gas consumers and a mandatory charge of 0.5 mill per kilowatt-hour for all electricity
338 consumers, except those served by a municipal lighting plant that does not supply generation

339 service outside its own service territory or does not open its service territory to competition at the
340 retail level, to support the development and promotion of renewable energy projects. All
341 revenues generated by the mandatory charge for natural gas consumers shall be deposited into
342 the Massachusetts Renewable Energy Trust Fund established in section 9 of chapter 23J. All
343 revenues generated by the mandatory charge for electricity consumers shall be deposited into the
344 Massachusetts Offshore Wind Industry Investment Trust Fund established in section 9A of said
345 chapter 23J.

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

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

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

358 (aa)(1) A taxpayer, to the extent authorized by the offshore wind tax incentive program
359 established in subsection (d) of section 8A of chapter 23J, may be allowed a refundable jobs
360 credit against the tax liability imposed under this chapter in an amount determined by the

361 Massachusetts clean energy technology center established in section 2 of chapter 23J, in
362 consultation with the department.

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

365 (3) A credit allowed under this subsection shall reduce the liability of the taxpayer under
366 this chapter for the taxable year. If a credit claimed under this subsection by a taxpayer exceeds
367 the taxpayer's liability as otherwise determined under this chapter for the taxable year, 90 per
368 cent of such excess credit, to the extent authorized by the offshore wind tax incentive program,
369 shall be refundable to the taxpayer. Excess credit amounts shall not be carried forward to other
370 taxable years.

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

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

377 "Capital investment", expenses incurred for the site preparation and construction, repair,
378 renovation, improvement, or equipping of a building, structure, facility, or other improvements
379 to real property, including, but not limited to, site-related utility and transportation infrastructure
380 improvements.

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

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

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

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

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

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

399 (3) An owner shall be eligible for a tax credit authorized under this subsection if the
400 owner demonstrates to the department that: (i) the owner is a certified offshore wind company;
401 (ii) the owner’s total capital investment in the offshore wind facility equals not less than

402 \$50,000,000; and (iii) the offshore wind facility will employ not less than 200 new full-time
403 employees by the fifth year of the owner's certification period under section 8A of chapter 23J.

404 (4) A tenant shall be eligible for a tax credit authorized pursuant to this subsection if the
405 tenant demonstrates to the department that: (i) the tenant is a certified offshore wind company;
406 (ii) the owner has made a total capital investment in the facility that equals not less than
407 \$50,000,000; (iii) the tenant occupies a leased area of the offshore wind facility that represents
408 not less than 25 per cent of the owner's capital investment in the facility; and (iv) the tenant will
409 employ, in the aggregate with other tenants at the offshore wind facility, not less than 200 full-
410 time employees by the fifth year of the tenant's certification period pursuant to section 8A of
411 chapter 23J. The amount of tax credits awarded to a tenant under this subsection for a taxable
412 year shall not exceed the tenant's total lease payments for occupancy of the offshore wind
413 facility for the taxable year.

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

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

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

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

424 Section 38KK. (a)(1) A corporation subject to tax under this chapter, to the extent
425 authorized by the offshore wind tax incentive program established in subsection (d) of section
426 8A of chapter 23J, may be allowed a refundable jobs credit against the tax liability imposed
427 under this chapter in an amount determined by the Massachusetts clean energy technology center
428 established in section 2 of chapter 23J, in consultation with the department.

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

431 (3) A credit allowed under this section shall reduce the liability of the corporation under
432 this chapter for the taxable year. If a credit claimed under this section by a corporation exceeds
433 the corporation's liability as otherwise determined under this chapter for the taxable year, 90 per
434 cent of such excess credit, to the extent authorized by the offshore wind tax incentive program,
435 shall be refundable to the corporation. Excess credit amounts shall not be carried forward to
436 other taxable years.

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

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

443 "Capital investment", expenses incurred for the site preparation and construction, repair,
444 renovation, improvement, or equipping of a building, structure, facility, or other improvements

445 to real property, including, but not limited to, site-related utility and transportation infrastructure
446 improvements.

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

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

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

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

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

459 (b) An owner or tenant, to the extent authorized by the offshore wind tax incentive
460 program established in section 8A of chapter 23J, may take a refundable credit against the tax
461 imposed by this chapter in an amount, as determined by the center, of up to 50 per cent of its
462 total capital investment in an offshore wind facility. The total amount of tax credit awarded
463 pursuant to this section shall be distributed in equal parts over the 5 taxable years that correspond
464 to the period in which the owner or tenant is certified pursuant to said section 8A of said chapter
465 23J.

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

471 (d) A tenant shall be eligible for a tax credit authorized pursuant to this section if the
472 tenant demonstrates to the department that: (i) the tenant is a certified offshore wind company;
473 (ii) the owner of the offshore wind facility has made a total capital investment in the facility that
474 equals not less than \$50,000,000; (iii) the tenant occupies a leased area of the offshore wind
475 facility that represents not less than 25 per cent of the owner's capital investment in the facility;
476 and (iv) the tenant will employ, in the aggregate with other tenants at the offshore wind facility,
477 not less than 200 full-time employees by the fifth year of the tenant's certification period under
478 section 8A of chapter 23J. The amount of tax credits awarded under this section to a tenant for a
479 taxable year shall not exceed the tenant's total lease payments for occupancy of the offshore
480 wind facility for the taxable year.

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

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

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

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

492 “Distributed energy resources”, small-scale power generation or storage technology
493 including, but not limited to, resources that are in front of and behind the customer meter,
494 electric storage resources, intermittent generation, distributed generation, demand response,
495 energy efficiency, thermal storage, and electric vehicles and their supply equipment, not greater
496 than 10 megawatts, that may provide an alternative to, or an enhancement of, the traditional
497 electric power system and shall be located on an electric utility’s distribution system, a
498 subsystem of the utility’s distribution system or behind a customer meter. SECTION 18. Said
499 chapter 164 is hereby further amended by inserting after section 92A the following 2 sections:-

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

508 (b) An electric-sector transformation plan developed pursuant to subsection (a) shall
509 describe in detail each of the following elements: (i) improvements to the electric distribution
510 system to increase reliability and strengthen system resiliency to address potential weather-
511 related and disaster-related risks; (ii) the availability and suitability of new technologies
512 including, but not limited to, smart inverters, advanced metering and telemetry, and energy
513 storage technology for meeting forecasted reliability and resiliency needs, as applicable; (iii)
514 patterns and forecasts of distributed energy resource adoption in the company's territory and
515 upgrades that would facilitate increased adoption of such technologies; (iv) improvements to the
516 distribution system that will enable customer preferences for access to renewable energy
517 resources; (v) improvements to the distribution system that will facilitate transportation or
518 building electrification; (vi) improvements to the transmission or distribution system to facilitate
519 achievement of the statewide greenhouse gas emissions limits under chapter 21N; (vii)
520 opportunities to deploy energy storage technologies to improve renewable energy utilization and
521 avoid curtailment; and (viii) alternatives to the proposed investments in the distribution and
522 transmission systems including rate design, load management and other methods for reducing
523 demand. For all proposed investments and alternatives, each electric company shall identify
524 customer benefits associated with the investments and alternatives including, but not limited to,
525 safety, grid reliability and resiliency, facilitation of the electrification of buildings and
526 transportation, integration of distributed energy resources, avoided renewable energy
527 curtailment, reduced greenhouse gas emissions and air pollutants, and avoided land use impacts.

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

529 (i) prepare and use 3 planning horizons for electric demand, including a 5-year forecast, a
530 10-year forecast and a demand assessment through 2050 to account for future trends in the

531 adoption of renewable energy, distributed energy resources, and energy storage and
532 electrification technologies necessary to achieve the statewide greenhouse gas emission limits
533 and sublimits under chapter 21N;

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

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

541 (d) An electric company shall submit its plan for review, input and recommendations to
542 the Grid Modernization Advisory Council established in section 92C by April 1, 2023, and
543 thereafter in accordance with the schedule filed with the department pursuant to section 94;
544 provided, that the plan shall be submitted to the Grid Modernization Advisory Council not later
545 than 120 days before the electric company files its schedule; and provided further, that the Grid
546 Modernization Advisory Council shall return the plan to the company with recommendations not
547 later than 70 days before the company files its schedule. An electric company shall submit its
548 plan, together with a demonstration of the Grid Modernization Advisory Council's review, input
549 and recommendations, along with a statement of any unresolved issues, to the department at the
550 time of filing its schedule pursuant to section 94. The department shall promptly consider the
551 plan and shall provide an opportunity for interested parties to be heard in a public hearing. The
552 department shall approve within 7 months of submittal all prudent investments or alternative

553 investments that provide net benefits for customers proposed in the plan and shall issue a final
554 order directing the company to implement all approved investments of the plan, including
555 determination of any unresolved issues identified in the initial filing; provided, that in order to be
556 approved, a plan shall conclusively demonstrate the need for projects subject to review by the
557 energy facilities siting board pursuant to section 69H and by the department pursuant to section
558 72. The electric company shall be permitted to recover all reasonably and prudently incurred
559 costs for implementing a plan as approved by the department. If an electric company fails to
560 deliver the projected customer benefits associated with any specific investment or group of
561 investments during the course of a plan, the department shall prohibit the company from earning
562 a return on those investments until such time as the company delivers the customer benefits.

563 (e) An electric-sector transformation plan developed by an electric company pursuant to
564 subsection (a) shall propose discrete, specific, enumerated investments to the distribution system
565 or alternatives to such investments that will facilitate grid modernization, greater reliability and
566 resiliency, increased enablement of distributed energy resources, increased transportation
567 electrification, and increased building electrification, in order to meet the statewide greenhouse
568 gas emissions limits and sublimits under chapter 21N. An electric company shall submit 2
569 reports per year to the department on the deployment of approved investments and any other
570 performance metrics included in the approved plans.

571 Section 92C. (a) There shall be a Grid Modernization Advisory Council to consist of the
572 commissioner of the department of energy resources, or a designee, who shall serve as chair; the
573 attorney general, or a designee; the commissioner of the department of environmental protection,
574 or a designee; 13 members to be appointed by the governor: 1 of whom shall be a representative
575 of residential consumers, 1 of whom shall be a representative from a local agency administering

576 the low-income weatherization assistance program, 1 of whom shall be a representative of the
577 environmental advocacy community, 1 of whom shall be a representative of an environmental
578 justice community organization, 1 of whom shall be a representative of the transmission scale
579 renewable energy industry with expertise in projects of greater than 20 megawatts, 1 of whom
580 shall be a representative of the distributed generation scale renewable energy industry with
581 expertise in projects of less than 5 megawatts, 1 of whom shall be a representative of the energy
582 storage industry, 1 of whom shall be a representative of the electric vehicle industry, 1 of whom
583 shall be a representative of the building electrification industry, 1 of whom shall be a
584 representative of municipal or regional interests, 1 of whom shall have technical and engineering
585 expertise in interconnecting clean energy, 1 of whom shall be a representative of businesses,
586 including large commercial and industrial end-use customers; and 1 member from each electric
587 company operating in the commonwealth who shall serve as non-voting members. Members
588 shall serve for terms of 5 years and may be reappointed.

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

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

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

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

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

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

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

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

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

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

636 (a) In order to facilitate the financing of offshore wind energy generation resources in the
637 commonwealth every distribution company shall jointly and competitively solicit proposals for
638 offshore wind energy generation; provided, however, that the solicitation process shall not be
639 deemed uncompetitive by the department of public utilities based solely on the distribution
640 companies receiving a bid or multiple bids from a single company or its affiliates if the levelized
641 price per megawatt hour, plus associated transmission costs, of the proposed project is equal to

642 or less than the levelized price per megawatt hour, plus associated transmission costs, of the
643 previous procurement; and provided further, if reasonable proposals have been received, each
644 distribution company shall enter into long-term contracts that are cost-effective and maximize
645 economic development. Long-term contracts executed pursuant to this section shall be subject to
646 the approval of the department of public utilities and shall be apportioned among the distribution
647 companies.

648 (b) The timetable and method for solicitations of long-term contracts shall be proposed
649 by the department of energy resources in coordination with the distribution companies using a
650 competitive bidding process, and shall be subject to review and approval by the department of
651 public utilities. The department of energy resources, in coordination with the distribution
652 companies, shall consult with the attorney general regarding the choice of solicitation methods.
653 If the department of energy resources and the distribution companies are unable to agree on a
654 timetable and method for solicitations, the department of energy resources, in consultation with
655 the independent evaluator, shall make a final determination as to the timetable and methods for
656 solicitations to be submitted to the department of public utilities for approval. A solicitation may
657 be coordinated and issued jointly with other New England states or entities designated by those
658 states. The distribution companies may conduct 1 or more competitive solicitations through a
659 staggered procurement schedule developed by the department of energy resources in
660 coordination with the distribution companies; provided, that the schedule shall ensure that the
661 distribution companies enter into cost-effective long-term contracts for offshore wind energy
662 generation equal to approximately 5,600 megawatts of aggregate nameplate capacity not later
663 than June 30, 2027, including capacity authorized pursuant to section 21 of chapter 227 of the
664 acts of 2018; and provided further, that individual solicitations shall seek proposals for no less

665 than 400 megawatts of aggregate nameplate capacity of offshore wind energy generation
666 resources. The staggered procurement schedule developed by the department of energy resources
667 in coordination with the distribution companies, if applicable, shall specify that a subsequent
668 solicitation shall occur within 24 months of a previous solicitation. If the department of energy
669 resources, in consultation with the distribution companies and the independent evaluator,
670 determines that reasonable proposals were not received pursuant to a solicitation, the department
671 of energy resources may terminate the solicitation, and may require additional solicitations to
672 fulfill the requirements of this section. Proposals received pursuant to a solicitation under this
673 section shall be evaluated by the selection committee established in subsection (o). As part of the
674 evaluation process, the selection committee shall produce a numeric score for each bid's
675 economic development commitments and for plans for financial and technical assistance to
676 support wildlife and habitat monitoring; provided, that plans for financial and technical
677 assistance to support wildlife and habitat monitoring shall represent not less than 5 per cent of a
678 bid's overall score in the solicitation.

679 (c) In developing proposed long-term contracts, the distribution companies shall consider
680 long-term contracts for renewable energy certificates, for energy and for a combination of both
681 renewable energy certificates and energy. A distribution company may decline to pursue a
682 contract resulting from a proposal if the proposal's terms and conditions would require the
683 contract obligation to place an unreasonable burden on the distribution company's balance sheet;
684 provided, however, that the distribution company shall take all reasonable actions to structure the
685 contracts, pricing or administration of the products purchased under this section in order to
686 prevent or mitigate an impact on the balance sheet or income statement of the distribution
687 company or its parent company, subject to the approval of the department of public utilities; and

688 provided further, that mitigation shall not increase costs to ratepayers. If a distribution company
689 deems a contract to be unreasonable, the distribution company shall consult with the department
690 of energy resources and, within 20 days of the date of its decision, submit a filing to the
691 department of public utilities. The filing shall include, in the form and detail prescribed by the
692 department of public utilities, documentation supporting the distribution company's decision to
693 decline the contract as unreasonable. Following a distribution company's filing, and within 4
694 months of the date of filing, the department of public utilities shall approve or reject the
695 distribution company's decision and may order the distribution company to reconsider any
696 contract. The department of public utilities shall take into consideration the recommendations of
697 the department of energy resources concerning the distribution company's decision. The final
698 contract executed shall be subject to review by the department of public utilities. The department
699 of energy resources may require additional solicitations to fulfill the requirements of this section.

700 (d) The department of public utilities shall promulgate regulations consistent with this
701 section. The regulations shall: (1) allow offshore wind developers of offshore wind energy
702 generation to submit proposals for long-term contracts consistent with this section; (2) require
703 that a proposed long-term contract executed by the distribution companies under a proposal be
704 filed with, and approved by, the department of public utilities before becoming effective; (3)
705 provide for an annual remuneration for the contracting distribution company up to 2.5 per cent of
706 the annual payments under the contract; provided, that the distribution company demonstrates
707 either: (i) that the financing cost reduction enabled by entering into the contract as compared to
708 an uncontracted merchant project is equal to or greater than the requested remuneration rate, or
709 (ii) that the financial obligation or risk incurred by the distribution company for entering into the
710 long-term contract support the requested remuneration rate, such provision to be acted upon by

711 the department of public utilities at the time of contract approval; (4) require associated
712 transmission costs to be incorporated into a proposal; provided, that to the extent there are
713 transmission costs included in a bid, the department of public utilities may authorize or require
714 the contracting parties to seek recovery of such transmission costs of the project through federal
715 transmission rates, consistent with policies and tariffs of the Federal Energy Regulatory
716 Commission, to the extent the department finds such recovery is in the public interest; and (5)
717 require that proposals meet the following criteria: (i) provide enhanced electricity reliability and
718 energy security; (ii) contribute to reducing winter electricity price spikes; (iii) are cost effective
719 to electric ratepayers in the commonwealth over the term of the contract, taking into
720 consideration potential economic and environmental benefits to the ratepayers; (iv) avoid line
721 loss and mitigate transmission costs to the extent possible and ensure that transmission cost
722 overruns, if any, are not borne by ratepayers; (v) provide optimal interconnection locations; (vi)
723 adequately demonstrate project viability in a commercially reasonable timeframe; (vii) allow
724 offshore wind energy generation resources to be paired with energy storage systems, including
725 new and existing long-duration and multi-day energy storage systems; (viii) include an initial
726 environmental and fisheries mitigation plan for the construction and operation of such offshore
727 wind facilities; (ix) mitigate impacts to the marine environment by providing financial and
728 technical assistance to support robust monitoring of wildlife and habitat through a contribution to
729 regional research efforts; (x) include benefits to environmental justice populations and low-
730 income ratepayers in the commonwealth; (xi) include opportunities for diversity, equity and
731 inclusion, including, at a minimum, a workforce diversity plan and a supplier diversity program
732 plan; and (xii) where feasible, create and foster economic development and quality, high-paying
733 jobs in the commonwealth.

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

737 (f) The department of energy resources and the attorney general shall jointly select, and
738 the department of energy resources shall contract with, an independent evaluator to: (1) monitor
739 and report on the solicitation and evaluation process; and (2) participate as a member of the
740 selection committee pursuant to subsection (e). The independent evaluator shall assist the
741 department of energy resources in determining whether a proposal received pursuant to
742 subsection (b) is reasonable and to assist the department of public utilities in its consideration of
743 long-term contracts filed for approval. As a member of the selection committee pursuant to
744 subsection (e), the independent evaluator shall hold equal weight in the selection of winning
745 bids.

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

756 The independent evaluator shall have access to the information and data related to the
757 competitive solicitation and bid selection process that is necessary to fulfill the purposes of this
758 subsection; provided, however, that the independent evaluator shall ensure that all proprietary
759 information remains confidential. The department of public utilities shall consider the findings of
760 the independent evaluator and may adopt recommendations made by the independent evaluator
761 as a condition for approval. If the independent evaluator concludes in the findings that the
762 solicitation and bid selection of a long-term contract was not fair and objective and that the
763 process was substantially prejudiced as a result, the department of public utilities shall reject the
764 winning bid proposal. The department of energy resources shall be reimbursed for cost of the
765 independent evaluator through non-refundable bid fees required of offshore wind developers as
766 part of the solicitation process.

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

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

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

784 (o) The winning bid shall be chosen by the selection committee, which shall consider all
785 proposals and criteria in subsection (d) when making a final decision, as well as technical advice
786 from the electric distribution companies. The committee shall consist of the following members:
787 the commissioner of energy resources, or their designee, who shall be the chair; the independent
788 evaluator required by subsection (f); the secretary of the executive office of housing and
789 economic development; 1 person appointed by the speaker of the house of representatives, who
790 shall not be a member of the general court; and 1 person appointed by the president of the senate,
791 who shall not be a member of the general court. No member of the selection committee shall
792 have a financial interest in any company or affiliated company that has submitted a bid or
793 multiple bids. The selection committee shall give preference to proposals that demonstrate
794 benefits from: (i) the greatest economic development and employment contributions to the
795 commonwealth, including opportunities for diversity, equity and inclusion; (ii) the avoidance,
796 minimization and mitigation of impacts to wildlife, natural resources, ecosystems, commercial
797 and recreational fishing and other traditional or existing water-dependent uses; (iii) resources
798 able to guarantee firm energy delivery; (iv) energy storage, including new and existing long-
799 duration and multi-day energy storage systems; (v) commitments to enter into long-term
800 contracts with businesses, nonprofit organizations, a municipality or group of municipalities with
801 an approved municipal load aggregation plan pursuant to section 134 of chapter 164 of the

802 General Laws or other government entities directly or through an aggregation pursuant to section
803 137 of said chapter 164 to purchase offshore wind energy; provided, that said contracts may be
804 in addition to the long-term contracts entered into by distribution companies under this section;
805 and (vi) the use of a project labor agreement with the appropriate labor organization for
806 construction, renovation, reconstruction, alteration, installation, demolition, expansion,
807 maintenance and repair.

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

813 SECTION 23. (a) Notwithstanding any general or special law to the contrary, the
814 department of energy resources shall, not later than March 1, 2023, competitively solicit and
815 procure proposals for offshore wind energy transmission sufficient to deliver energy generation
816 procured pursuant to subsection (b) of section 83C of chapter 169 of the acts of 2008 from
817 designated wind energy areas for which a federal lease was issued on or after January 1, 2012,
818 that shall be developed independent of such offshore wind energy generation; provided, that
819 offshore wind developers, as defined in section 83B of said chapter 169 shall be permitted to
820 submit proposals pursuant to this section; provided further, that such transmission service shall
821 be made available for use by more than 1 wind energy generation project; and provided further,
822 that the department shall coordinate with the department of public utilities, electric distribution
823 companies, other New England states or entities designated by those states and ISO New
824 England, Inc. or a successor organization, in the solicitation and procurement of proposals for

825 offshore wind energy transmission. The department shall be permitted to select 1 proposal,
826 multiple proposals, or no proposals; provided, however, that the department may satisfy the
827 requirement regarding proposal selection through federal funding in the form of a match, a grant,
828 a loan, or through ownership and operation by the United States government that provides a
829 comparable level of investment as would have otherwise been provided if the department had
830 selected a single proposal or multiple proposals.

831 (b) In conducting the procurement for offshore wind energy transmission, the department
832 of energy resources shall take into consideration the total amount of transmission needed to
833 achieve the commonwealth's offshore wind and decarbonization goals as well as demonstrable
834 benefits to the consumer and environment and in terms of electric system reliability and avoided
835 upgrade costs to the existing transmission grid. The department shall consider proposals that
836 include, but shall not be limited to, upgrading the existing grid, extending the grid closer to
837 offshore wind locations, determining optimal landfall approaches or interconnecting between
838 offshore substations. If federal grants or other federal funding for transmission and distribution
839 become available, the department may modify a procurement, prior to selecting a proposal, in
840 order to satisfy federal eligibility criteria.

841 (c) Not later than September 31, 2023, the department of energy resources shall submit a
842 report to the clerks of the house of representatives and the senate and the chairs of the joint
843 committee on telecommunications, utilities and energy, that: (1) outlines the design and conduct
844 of the solicitation and procurement process; (2) identifies and recommends any improvements to
845 the solicitation and procurement process; and (3) provides, in the event that the department does
846 not choose a proposal, a comprehensive explanation of their decision, including the extent to
847 which the department's consideration of factors in subsection (b) played a role in said decision.

848 SECTION 24. (a) Notwithstanding any general or special law to the contrary, there shall
849 be established an Offshore Wind Transmission Working Group for the purposes of providing a
850 comprehensive cost analysis of any transmission infrastructure upgrades sufficient to deliver
851 offshore wind energy generation procured pursuant to subsection (b) of section 83C of chapter
852 169 of the acts of 2008 and providing policy recommendations that may be needed to facilitate
853 and equitably recover costs of such upgrades.

854 (b) The working group shall consist of 17 members or their designees: 1 of whom shall
855 be the chair of the department of public utilities, or their designee, who shall serve as co-chair; 1
856 of whom shall be the commissioner of energy resources, who shall serve as co-chair; 1 of whom
857 shall be the attorney general, or their designee; 2 of whom shall be the co-chairs of the joint
858 committee on telecommunications, utilities, and energy, or their designees; 2 of whom shall be
859 the ranking minority members of the joint committee on telecommunications, utilities, and
860 energy, or their designees; 4 of whom shall be appointed by the governor from a list of persons
861 submitted by the following organizations and associations: the Associated Industries of
862 Massachusetts, Inc., the National Consumer Law Center, Inc., the Acadia Center, and the
863 Northeast Clean Energy Council, Inc.; and 6 persons to be appointed by the governor, 2 of whom
864 shall be representatives from the offshore wind industry, 1 of whom shall have knowledge of
865 electricity transmission, distribution, generation and power supply, 1 of whom shall be a
866 representative of municipal interests or a regional public entity, 2 of whom shall be
867 representatives of Massachusetts investor-owned utilities. A vacancy on the working group shall
868 be filled in the manner in which the original appointment was made. Members of the working
869 group shall receive no compensation for their services. The working group may request from all
870 state agencies such information and assistance as the task force may require.

871 (c) The working group shall assess and report to the general court on any necessary
872 transmission upgrades that may be required to support the deployment of 5,600 megawatts of
873 offshore wind by June 30, 2027 as well as additional regional offshore wind projects that may
874 interconnect into the commonwealth. This assessment shall consider both in-state transmission
875 upgrades as well as any regional transmission upgrades that may be necessary to accommodate
876 the commonwealth's offshore wind requirements and shall provide recommendations on any
877 approvals that may be necessary by ISO New England Inc. and the Federal Energy Regulatory
878 Commission to fund such upgrades. The assessment shall include a cost-benefit analysis to
879 identify regulatory and legal challenges associated with streamlining tariff approvals to
880 accommodate increased offshore wind penetration across New England. The working group shall
881 also assess and review cost-allocation measures adopted in other jurisdictions that aim to spread
882 transmission upgrade costs equitably among developers and across the region. The working
883 group shall meet periodically and shall solicit technical assistance from additional electric
884 companies, consumer organizations, as well as regional energy market participants, including the
885 New England States Committee on Electricity, Inc.

886 (d) The working group shall convene its first meeting not later than September 1, 2022
887 and shall submit its final report, along with any recommendations for legislative or regulatory
888 reforms not later than December 31, 2022 to the clerks of the house of representatives and the
889 senate and the chairs of the joint committee on telecommunications, utilities and energy.

890 SECTION 25. Notwithstanding any general or special law to the contrary, each
891 distribution company, as defined in section 1 of chapter 164 of the General Laws, shall, not later
892 than December 31, 2022, file with the department of public utilities either: (i) at least 1 electric
893 rate tariff, which addresses operational parameters, to apply to energy storage systems

894 interconnected to their distribution network; or (ii) a notice of its intent to promptly file with the
895 Federal Energy Regulatory Commission a wholesale distribution service rate schedule to apply
896 to standalone energy storage systems that are interconnected to their distribution network but are
897 transacting in New England's wholesale electricity markets. The distribution companies shall
898 identify the costs to the distribution network not recouped through project sponsor-funded
899 interconnection upgrades or otherwise paid directly by the project sponsor and design rates to
900 recoup the distribution company's net costs in a similar manner to how they are incurred by the
901 distribution company, without unduly impeding the participation of energy storage systems in
902 power markets and other uses of such systems that provide benefits to the electric grid.

903 SECTION 26. (a) Notwithstanding any general or special law to the contrary, the
904 department of energy resources, in consultation with the Massachusetts clean energy technology
905 center, shall study how to optimize the deployment and utilization of both new and existing long-
906 duration and multi-day energy storage systems in the commonwealth capable of absorbing
907 energy, storing it for a period of time and thereafter dispatching the energy for a minimum period
908 of 5 hours for long-duration energy storage and for a minimum period of 24 hours for multi-day
909 energy storage and investigate the necessity, benefits and costs of requiring distribution
910 companies, as defined in section 1 of chapter 164 of the General Laws, to jointly and
911 competitively conduct energy storage systems solicitations and procurements of up to 4,800
912 gigawatt hours of stored energy from renewable generation delivered to periods of high demand
913 each year.

914 (b) The goal of said energy storage systems shall be to: (i) contribute to compliance with
915 the statewide greenhouse gas emissions limits and sublimits under chapter 21N of the General
916 Laws, including, but not limited to, the sublimit of electric power, pursuant to section 3A of said

917 chapter 21N; (ii) promote the integration of offshore wind energy; (iii) enable firm energy
918 delivery from renewable energy resources during periods of low energy demand to periods of
919 high energy demand; (iv) enhance the reliable delivery and security of electricity to consumers;
920 and (v) minimize ratepayer costs. The study shall determine the performance of said systems
921 under frequent deployment, barriers to deployment or utilization and incentives and programs
922 that could facilitate their deployment or utilization. The department of energy resources shall
923 provide recommendations to the secretary of energy and environmental affairs not later than 6
924 months after the effective date of this act, including numerical deployment targets for both new
925 and existing long-duration and multi-day energy storage systems to optimize the use of these
926 systems, which the secretary shall incorporate into the setting of numerical benchmarks for
927 energy storage capacity pursuant to clause (xi) of section 5 of said chapter 21N. The department
928 of energy resources shall submit said recommendations to the clerks of the house of
929 representatives and senate and to the chairs of the joint committee on telecommunications,
930 utilities, and energy.

931 (c) If the study finds it beneficial to the commonwealth, the department of energy
932 resources shall require solicitations and procurements in accordance with the study
933 recommendations; provided, that the procurements shall: (i) contribute to compliance with
934 statewide greenhouse gas emissions limits and sublimits under said chapter 21N; (ii) promote the
935 integration of offshore wind energy; (iii) transport energy from periods of low energy demand to
936 periods of high energy demand; provided, that such transportation is coordinated with the
937 renewable generation produced in lower demand periods under solicitations performed pursuant
938 to subsection (b) of section 83C of chapter 169 of the acts of 2008; (iv) enhance the reliable
939 delivery of electricity to Massachusetts consumers; and (v) minimize ratepayer costs.

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

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

948 SECTION 28. (a) Notwithstanding any general or special law to the contrary, the
949 department of elementary and secondary education, in consultation with the executive office of
950 labor and workforce development, shall develop and implement a pilot program for the purpose
951 of helping students acquire academic and technical skills that will prepare them for high-skill,
952 high-demand jobs in the commonwealth in the offshore wind industry identified pursuant to
953 section 23 of chapter 26 of the General Laws; provided, that programming shall include jobs in
954 the offshore wind supply chain, including, but not limited to, manufacturing, construction,
955 assembly, shipping and operations and maintenance, and any additional credentialed
956 programming in support of the offshore wind industry.

957 (b) The department shall reimburse each school district at a rate of: (i) \$750 for each
958 student in the district who earns an offshore wind industry-recognized certification for an
959 occupation that has a high employment value or relevant industry-recognized certification that is
960 recognized by any public institution of higher learning in the commonwealth as a basis for
961 academic credit at such institution, and (ii) \$600 for each student in the district who earns an

962 industry-recognized certification in the offshore wind industry that does not meet the criteria of
963 clause (i) but addresses regional demands identified by the local MassHire Workforce Board.
964 Any school district receiving a certification award for the offshore wind industry pilot
965 credentialing program shall allocate at least 80 per cent of any certification award to the school
966 whose students obtained the qualifying certification; provided, that the allocation may not be
967 used to supplant funds otherwise provided for the basic operation of the school; and provided
968 further, that any school receiving a certification award shall use the award to support or maintain
969 the program, including the payment of stipends for instructors and the subsidization of fees for
970 low-income students to obtain the certification. The department shall develop the criteria
971 necessary to carry out the offshore wind industry pilot credentialing program and may
972 promulgate any regulations necessary to operate the pilot program.

973 (c) Not later than February 1, 2023, and annually thereafter, the department of elementary
974 and secondary education shall submit an annual report on the progress of the pilot program
975 established pursuant to subsection (a), including, but not limited to: (i) the number of public
976 school students participating in the pilot seeking certifications for high-skill, high-demand
977 occupations in the offshore wind industry; (ii) the number of such students participating in the
978 pilot who are low-income, English language learners and students with disabilities; (iii) the
979 specific types of certifications earned by students, including the number of each such
980 certification earned; and (iv) recommendations on how to bring high-skill, high-demand
981 credentialing programs to scale statewide, including any necessary funding considerations.

982 (d) Notwithstanding any general or special law to the contrary, the Massachusetts clean
983 energy technology center shall transfer \$3,000,000 from the Massachusetts Offshore Wind
984 Industry Investment Trust Fund established under section 9A of chapter 23J of the General Laws

985 to the department of elementary and secondary education; provided, that said funds shall also be
986 expended by the department to reimburse school districts for initial costs incurred as a result of
987 participation in the pilot program, including, but not limited to, the acquisition of required
988 materials and equipment and the hiring of qualified teachers.

989 SECTION 29. Notwithstanding any general or special law to the contrary, the department
990 of public utilities shall implement the requirements in subsection (a) of section 92B of chapter
991 164 of the General Laws within 30 days of the effective date of this act.

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

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

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