ML STRATEGIES

Offshore Wind Development May Get a Boost from Massachusetts

October 25, 2021 | Article | By

VIEWPOINT TOPICS

- Energy & Sustainability

SERVICE AREAS

- Energy & Sustainability

On October 13th, Gov. Charlie Baker **filed legislation** that would significantly enhance the support provided by Massachusetts for the development of offshore wind energy generation.

His bill proposes that the state allocate $750 million of federal stimulus funding to establish a clean energy investment fund that would support economic development activity related to offshore wind development. It would also do away with the requirement in state law that each project have a lower price than the one that came before it.

The bill would also transfer the authority to select a winning offshore wind bid to the state's Department of Energy Resources. Currently, winners are selected by power distribution utilities, National Grid, Eversource, and Unitil. Under the Baker proposal, those companies would provide the agency with technical assistance in evaluating bids.

Baker **said**, "With this new legislation... we're ensuring that Massachusetts retains its leading-edge position in the offshore wind policy debate in the U.S." Eliminating the so-called "price cap" could allow evaluators to place more emphasis on port development and workforce training to the benefit of communities that host those activities.

Baker's proposal aligns him with recent comments made by the Speaker of the House, Ronald Mariano. The House is said to be developing legislation to update the bidding requirements and strengthen other aspects of the bids, like job creation and long-term economic development. Given bids received to date and future projections of costs to develop offshore wind, Chairman of the House Telecommunications, Utilities and Energy Committee, Jeffrey Roy **said**, "…there is less concern that we will get extreme bids without the offshore wind price cap…The Commonwealth can always choose to not take bids if the pricing is egregious."

Still, the proposal by the Republican Governor is likely to undergo close scrutiny and modification by the heavily Democratic legislature before it is enacted. For example, Sen. Michael Barrett, the Senate co-chair of the Telecommunications, Utilities and Energy Committee, **said**, "You could make a case for letting the rate cap rise in a measured fashion…But to ask us to jettison it all together, the timing couldn't be worse."

Authors