

**HOUSE . . . . . No. 4524**

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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.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Second General Court  
(2021-2022)**  
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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<sup>1/2</sup>. 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.