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SUPPLEMENT TO DOER DETERMINATION ON SECTION 82 OF AN ACT DRIVING CLEAN ENERGY AND OFFSHORE WIND

Pursuant to *An Act Driving Clean Energy and Offshore Wind* (c. 179 of the Acts of 2022) (the Act) and Section 82 thereof (Section 82), DOER issued a determination on December 30, 2022 (the December Determination) finding that the two projects selected by the Maine Public Utilities Commission (MPUC): LS Power Base for a transmission project (Transmission Project) and Longroad Energy's King Pine wind generation project (Generation Project, and together, the Projects) would, subject to certain conditions, meet the beneficial standards set forth in the Act, with the Massachusetts electric distribution companies (EDCs) procuring up to 40 percent of the Projects.

DOER's beneficial determination was also conditioned on the Projects signing a binding Memorandum of Understanding (MOU) with DOER, including enforceable milestone commitments and all other terms and conditions at DOER's sole discretion, that ensures the Projects:

(iv) where possible, avoid, minimize, or mitigate, to the maximum extent practicable, environmental impacts, impacts on commercial and recreational fishing industries, and impacts to low-income populations; (v) demonstrate progress toward obtaining required permit approvals and interconnection, and (vi) have credible project schedule and construction plans, including plans for financing and stakeholder engagement.

DOER, in consultation with the Massachusetts Attorney General's Office, further determined that the greatest benefit for the residents of the Commonwealth comes from supporting project viability by contributing to paying for the costs of the Projects while limiting the portion of the Projects supported by Massachusetts ratepayers. DOER defined project viability as the Projects having received sufficient financial commitments (through state determinations or other binding commitments) to support the progression through critical milestones to commercial operation. DOER stated in the December Determination that contracting for up to 40 percent of the Generation Project's electric generation and renewable energy certificate (REC) production and up to 40 percent of the Transmission Project's

transmission service payments for less than or equal to 20 years can support project viability and contribute to paying for the project costs in general proportion to the expected regional benefit to Massachusetts.

On February 3, 2023, the MPUC issued an Order finding that the funding of 60 percent of the Projects by Maine ratepayers is in the public interest and approved the Projects' term sheets. Following this commitment from Maine, DOER has determined that the Projects have received sufficient financial commitments to support project viability and that the Massachusetts EDCs shall enter into 20-year long-term contracts, as defined in Section 82, for 40 percent of the Generation Project's electric generation and renewable energy certificate (REC) production and 40 percent of the Transmission Project's transmission service payments.

In addition, similar to the stipulation in the MPUC Order (MPUC Order at 7), Massachusetts requests LS Power and Longroad Energy find additional entities, in accordance with any applicable regulatory requirements, that may be interested in the output of the Projects that could help defer overall costs to Massachusetts ratepayers, and also provide DOER with copies of the monthly reporting to the MPUC on their efforts in this regard. To the extent any additional off-takers may be secured, any reduction to Massachusetts' share would be consistent with DOER's determination.

This supplemental determination by DOER shall be read in conjunction with the December Determination and shall not supersede or alter in any way the December Determination, except to provide certain clarifications to the December Determination as provided herein. All conditions and requirements provided in the December Determination shall remain in full force and effect.

<u>March 8, 2023</u> Date

Robert H. Hoaglund

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