July 31, 2018

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: NSTAR Electric Company d/b/a Eversource Energy Section 83C Long-term Contracts for Offshore Wind Energy Generation; D.P.U. 18-76

Dear Secretary Marini:

Enclosed for filing on behalf of NSTAR Electric Company d/b/a Eversource Energy ("Eversource" or the “Company”) in the above-captioned proceeding is a petition for approval of two long-term power purchase agreements pursuant to Section 83C of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12 (“Section 83C”) and the Department’s regulations at 220 C.M.R. § 23.00 et seq.

The Company has entered into two power purchase agreements with Vineyard Wind LLC, each for 400MW of Offshore Wind Energy Generation, for the purchase of the Company’s pro rata share of energy and Renewable Energy Credits (“RECs”) produced by the combined 800MW project (the “PPAs”). As described in the Company’s initial filing, Vineyard Wind’s 800MW project was ultimately selected from the competitive bids obtained pursuant to a joint solicitation conducted by Eversource, Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid (“National Grid”) and Fitchburg Gas and Electric Light Company d/b/a Unitil (collectively the “Distribution Companies” and individually a “Distribution Company”). This filing is made in accordance with the requirements of Section 83C and the Department’s regulations at 220 C.M.R. § 23.00.

This proceeding is one of three related dockets at the Department (D.P.U. 18-76 through 18-78) to review the PPAs individually executed by each Distribution Company for the project. The Distribution Companies conducted this competitive solicitation jointly, including: the joint issuance of a single RFP; joint evaluation and scoring of the bids received; joint selection of the winning proposal with the Department of Energy Resources; and the joint negotiation of final contracts. Due to common issues of law and fact involved in conducting this competitive solicitation, the pre-filed joint testimony (the “Joint Testimony”) and supporting exhibits are being filed simultaneously by each Distribution Company in each of the three dockets.

In support of each Petition, the filing herein includes the Joint Testimony and accompanying exhibits of: Jeffery S. Waltman, Manager, Planning and Power Supply for the
Massachusetts regulated operating companies of Eversource Energy, which includes NSTAR Electric Company; Timothy J. Brennan, Director in the Regulatory Strategy and Integrated Analytics group for the National Grid USA Service Company, Inc., which provides services to Massachusetts Electric Company and Nantucket Electric Company; and Lisa S. Glover, Senior Energy Analyst for Unitil Service Company, which provides management and administrative services to Fitchburg Gas and Electric Light Company d/b/a Unitil. The Joint Testimony and supporting exhibits demonstrate that: (1) execution of the long-term contracts satisfies the requirements of Section 83C; (2) the Distribution Companies have followed the provisions of the Request for Proposals process approved by the Department in D.P.U. 17-103; and (3) that the long-term contracts are a cost-effective mechanism for procuring reliable renewable energy on a long-term basis that facilitates the financing of Offshore Wind Energy Generation.

Please note that several of the Exhibits supporting the joint testimony contain confidential and proprietary information, for which the Distribution Companies are seeking protective treatment. Accordingly, this public version of the filing contains redacted copies of the confidential exhibits. Original, un-redacted versions of the confidential exhibits are being submitted to the Department and the Attorney General under separate cover, under seal.

Also enclosed is a check for $100 in satisfaction of the filing fee. Thank you for your attention to this matter.

Sincerely,

Danielle C. Winter, Esq.

Enclosures

cc: Shane Early, General Counsel
    Matthew Nelson, Director, Electric Power Division
    Rebecca Tepper, Chief, Office of Ratepayer Advocacy, Office of Attorney General
    Nathan Forster, Office of the Attorney General
    Elizabeth Mahony, Assistant Attorney General
    Robert Hoaglund, Department of Energy Resources

1 Please note that due to size, WP Support Tab B [CONFIDENTIAL] and WP Support Tab C [CONFIDENTIAL] are being submitted on USB drive only. Redacted versions of those WP Support Tabs are not being provided at this time. Public, redacted versions of the initial bids contained in WP Support Tab B are publicly available through the Section 83C website, www.macleanenergy.com.
PETITION OF NSTAR ELECTRIC COMPANY D/B/A EVERSOURCE
ENERGY FOR APPROVAL OF A LONG-TERM POWER PURCHASE AGREEMENT
PURSUANT TO ST. 2008, C. 169, § 83C

Now comes NSTAR Electric Company d/b/a Eversource Energy (“Eversource” or the “Company”) and requests that the Department of Public Utilities (the “Department”) approve, pursuant to Section 83C of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12 (“Section 83C”) and the Department’s regulations at 220 C.M.R. 23.00 et seq., the enclosed long-term contracts for offshore wind energy generation executed in culmination of a joint competitive solicitation undertaken pursuant to Department approval conferred by D.P.U. 17-103. As described in more detail below, the Company has entered into two power purchase agreements with Vineyard Wind LLC, each for 400MW of offshore wind energy generation, for the purchase of the Company’s pro rata share of energy and Renewable Energy Credits (“RECs”) produced by the combined 800MW project (the “PPAs”).

In support of the Company’s request, Eversource states the following:

1. Eversource is a Massachusetts electric company, pursuant to G.L. c. 164, § 1, with a place of business in Westwood, Massachusetts.

2. Eversource participated jointly with the other investor-owned electric distribution companies in Massachusetts (collectively the “Distribution Companies”) in
conducting this competitive solicitation pursuant to Section 83C, including: the joint issuance of a single RFP; joint evaluation and scoring of the bids received; joint selection of the winning proposal with the Department of Energy Resources; and the joint negotiation of final PPAs.

3. The filing set forth herein includes the pre-filed joint testimony (the “Joint Testimony”) and accompanying exhibits of: Jeffery S. Waltman, Manager, Planning and Power Supply for the Massachusetts regulated operating companies of Eversource Energy, which includes NSTAR Electric Company; Timothy J. Brennan, Director in the Regulatory Strategy and Integrated Analytics group for the National Grid USA Service Company, Inc., which provides services to Massachusetts Electric Company and Nantucket Electric Company; and Lisa S. Glover, Senior Energy Analyst for Unitil Service Company, which provides management and administrative services to Fitchburg Gas and Electric Light Company d/b/a Unitil.

4. Section 83C and the Department’s regulations at 220 C.M.R. § 23.00 et seq. require that long-term contracts entered into by a distribution company must be made with Offshore Wind Energy Generation sources that:

(a) provide enhanced electricity reliability within the Commonwealth;

(b) contribute to reducing winter electricity price spikes;

(c) be cost effective to Massachusetts electric customers over the term of the contract taking into consideration potential economic and environmental benefits to the ratepayers;

1 “Offshore Wind Energy Generation” means: (1) Class I renewable energy generating sources, as defined in Section 11F of Chapter 25A of the General Laws; (2) has a commercial operation date on or after January 1, 2018 that has been verified by the Department of Energy Resources; and (3) operates in a designated wind energy area for which an initial federal lease was issued on a competitive basis after January 1, 2012.
(d) avoid line loss and mitigate transmission costs to the extent possible and ensure that transmission cost overruns, if any, are not borne by ratepayers;

(e) adequately demonstrate project viability in a commercially reasonable timeframe;

(f) allow Offshore Wind Energy Generation resources to be paired with energy storage systems;

(g) mitigate any environmental impacts, where possible;

(h) where feasible, create and foster employment and economic development in Massachusetts; and

(i) be a cost-effective mechanism for procuring reliable renewable energy on a long-term basis taking into account the factors outlined in 220 C.M.R. § 23.00.

As demonstrated in the Joint Testimony and accompanying exhibits, the proposed PPAs filed herewith are a cost-effective mechanism for procuring reliable renewable energy on a long-term basis that facilitates the financing of Offshore Wind Energy Generation and otherwise satisfies the requirements of Section 83C and 220 C.M.R. § 23.00 et seq.

5. Eversource intends to recover the costs of the PPA and remuneration of 2.75 percent through a revised Renewable Energy Recovery Provision, M.D.P.U. No. 69A. Eversource has proposed revisions to its Renewable Energy Recovery Provision to include recovery of the costs associated with the PPAs procured under Section 83C.

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2 The proposed revisions to the Renewable Energy Recovery Provision, M.D.P.U. No. 69A, were also filed in D.P.U. 18-64 in connection with the Company’s request for approval of long-term contracts pursuant to Section 83D. The revised tariff is also being presented for the Department’s review and approval in this proceeding in the event the Department considers the Company’s request in this docket before it reaches the issue in D.P.U. 18-64. The Company will file any compliance tariffs as directed by the Department.
WHEREFORE, Eversource respectfully requests that the Department:

(1) Determine that the proposed PPAs are consistent with Section 83C and 220 C.M.R. 23.00 et seq.;

(2) Approve the Company’s revised Renewable Energy Recovery Provision, M.D.P.U. No.69A;

(3) Allow annual remuneration for Eversource of 2.75 percent of the annual payments under the PPAs;

(4) Determine that the costs of the PPAs, plus remuneration, are eligible for cost recovery pursuant to the Company’s Renewable Energy Recovery Provision, M.D.P.U. No. 69A; and

(5) Issue such other and further orders as may be necessary and appropriate.

Respectfully Submitted,

NSTAR ELECTRIC COMPANY d/b/a
EVERSOURCE ENERGY

By its attorney,

[Signature]

Danielle C. Winter, Esq.
Keegan Werlin LLP
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(617) 951-1400

Dated: July 31, 2018
COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

Petition of NSTAR Electric Company d/b/a Eversource Energy for Approval of Proposed Long-Term Contracts for Offshore Wind Energy Generation Pursuant to Section 83C of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12

MOTION OF NSTAR ELECTRIC COMPANY D/B/A EVERSOURCE ENERGY FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION

Now comes NSTAR Electric Company d/b/a Eversource Energy (the “Company” or “Eversource”) and hereby requests that the Department of Public Utilities (the “Department”) grant protection from public disclosure of certain confidential, sensitive and proprietary information submitted in this proceeding in accordance with G.L. c. 25, § 5D and 220 CMR § 1.04(5)(e). Specifically, the Company requests that the Department protect from public disclosure certain information contained in the following exhibits and in the Independent Evaluator report to be submitted by Peregrine Energy Group (“IE Report”):

- Exhibits JU-3, Tabs A-F;
- Exhibits JU-4, JU-5, JU-6 Tabs A-C, and JU-7;

1 Pursuant to Section 83C of the Green Communities Act, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12, the Independent Evaluator is required to file a report with the Department summarizing and analyzing the solicitation and bid selection process and providing its independent assessment of whether all bids were evaluated in a fair and non-discriminatory manner. The Company, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and Fitchburg Gas and Electric Light Company d/b/a Unitil (collectively, the “Distribution Companies”) have not reviewed the Independent Evaluator’s report but have been informed that it will include certain confidential information, which the Distribution Companies have an obligation to protect. Accordingly, Eversource seeks protection of such confidential information, as identified by the Independent Evaluator.
• the Company’s filed Work Paper Support ("WP Support"), Tabs B, C, D, E, and G; and

• IE Report, including the following Appendices thereto: C, D, and E.

(hereinafter, the "Confidential Exhibits"). As discussed below, the Confidential Exhibits contain proprietary and competitively sensitive information about the pricing and terms of proposals submitted by third parties that, if released publicly, could harm the competitive business position of the Company, its contract counterparties and its customers.

I. LEGAL STANDARD

The Department is authorized to protect from public disclosure "trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings." G.L. c. 25, § 5D. The Department has developed a three-part standard for assessing requests for protective treatment submitted pursuant to c. 25, § 5D.

First, the information for which protection from disclosure is sought must constitute "trade secrets, [or] confidential, competitively sensitive or other proprietary information." Second, the party seeking protection from disclosure must overcome the statutory presumption that the public is benefited by disclosure of that information by proving the need for non-disclosure. Finally, the Department will protect only so much of the information as is necessary to meet the established need. See, e.g., Western Massachusetts Electric Company, D.T.E. 99-56 (1999); Dispatch Communications of New England d/b/a Nextel Communications, Inc., D.P.U. 95-59-B/95-80/95-112/96-13, September 2, 1997 Procedural Order. Appropriate considerations with respect to the public interest issue include an assessment of the interests at stake, the likely harm that would result from public disclosure of information, and the public policy implications of such disclosure.

II. BASIS FOR CONFIDENTIALITY

The Confidential Exhibits should be protected by the Department and remain confidential because they contain competitively sensitive bid terms from non-selected bidders, evaluation materials that are proprietary to the Distribution Companies and their consultants, and non-pricing contract terms that are commercially sensitive. Specifically, the Confidential Exhibits contain references to: (1) commercially sensitive non-pricing terms contained in the contracts that are subject to approval in this proceeding; (2) bid terms that the Company received and reviewed as a result of a competitive solicitation of proposals for long-term renewable energy generation pursuant to Section 83C of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12 (“Section 83C”); and (3) proprietary and commercially sensitive evaluation materials prepared by the Company or its consultants, which if revealed could jeopardize future competitive solicitations. Information contained in the following exhibits fall into these categories:

Commercially Sensitive Non-Pricing Contract Terms

- Exhibits JU-3 (Power Purchase Agreements); and
- WP Support, Tab G (Redline versions of Power Purchase Agreements).

Bid Terms Received and Reviewed

- Exhibit JU-4 (Appendix 1 and 2) and Exhibit JU-5 (evaluation of bids with reference to confidential bid terms);
• Exhibit JU-6 Tabs A-C and JU-7 (Distribution Company and DOER selection determinations with references to confidential bid terms for non-selected proposals);

• WP Support, Tab B (confidential bid package for bids received);

• WP Support, Tab C (bidder communications);

• IE Report, including Appendices C, D, and E (evaluation of bids with reference to confidential bid terms); and

• IE Report (summary of Distribution Company and DOER selection letters with respect to confidential bid terms from non-selected bidders).

Evaluation Materials

• Exhibit JU-4, Appendix 4 and 5 (Section 83C Base Case Results and Assumptions);

• WP Support Tabs D and E (Qualitative Bid Evaluation Protocol and Qualitative Scoring Sheets); and

• IE Report (certain evaluation scores).

A. The Department Should Protect Commercially Sensitive Non-Price Terms in the Contracts Subject to Review in this Proceeding.

The Department should protect certain non-price terms of the contracts, which have been identified by the counterparty as commercially sensitive. Exhibit JU-3 contains the Company’s power purchase agreement with Vineyard Wind for the purchase of energy and Renewable Energy Credits (“RECs”) produced by the Vineyard Wind offshore wind energy generation facility (the “PPAs”). The parties have agreed to disclose the pricing contained in the PPAs, in accordance with Section 1.7.4 of the Section 83C Request for Proposals (the “RFP”), which indicated that the pricing in the contracts of the winning bids would be disclosed at the time of filing with the
Department. However, the counterparties have identified limited non-price terms in the PPAs that
should be treated as confidential and protected from public disclosure. The parties have taken care
to only seek protection of limited information, which, if disclosed, could harm the competitive
interests of the parties. The Department has protected such terms in past reviews of long-term
contracts. See e.g., Massachusetts Electric Company and Nantucket Electric Company, each d/b/a
National Grid et al., D.P.U. 17-117 through 17-120 (2018); Fitchburg Gas and Electric Light
Company d/b/a Unitil et al., D.P.U. 13-146 through 13-149 (2014).

B. The Department Should Protect Bid Terms Identified As Confidential By Non-Selected Bidders.

The Department should protect the bid information received by the Company as result of
the RFP relating to this proceeding and the Company’s analysis of those bids. Appendix 1 and 2
of Exhibit JU-4 and Exhibit JU-5 contain summaries of the bid evaluations and includes
information regarding the names of bidders responding to the Company’s RFP, their respective
bids, bid terms, and the Company’s evaluation of such bids. Similarly, the IE Report, including
Appendices C, D, and E, contains similar types of information. Exhibits JU-6 and JU-7 also
include references to confidential bid information. WP Support, Tab B is a copy of each
confidential bid package as received from the bidder. WP Support, Tab C contains confidential
bidder communications.

It is important that the above-referenced bid-related information be held confidential
because its disclosure could financially harm the parties that participated in the RFP process, as
well as the interests of the Company’s customers in other competitive solicitations. The Company
has treated the names of bidders, bid information and bid analysis as confidential throughout the
RFP process. This information has been tightly controlled and has not been distributed outside of
the Company or the Company’s counsel and jurisdictional regulatory agencies that have executed
non-disclosure agreements with the Company. All bidders were told that the RFP process would be conducted in a highly confidential manner, and assured that information identified as confidential in the bid process would be protected by the Distribution Companies. See Exhibit JU-2, Section 1.7.4. The process was designed this way to encourage participation, promote competition in the bidding process, and maximize the value of the bids received. Any disclosure now could significantly damage the RFP process.

Moreover, if the bid-related information or contract price terms are disclosed, the effectiveness and competitiveness of competitive solicitations for renewable generation will be harmed substantially. Indeed, if the bid information in the Confidential Exhibits is released, it may make bidders more reluctant to submit bids in future solicitations to the extent they wish to submit bids confidentially, or may inflate bids that might otherwise be submitted based on a respondent’s review of the Company’s bid information received to date. Thus, the release of the bid information at this time would potentially prejudice the continuing RFP process for renewable generation and ultimately harm the Company’s customers.

The Department has protected bid information from public disclosure historically, because the public release of terms discloses the very types of information that the Department has previously and consistently held to be confidential. See, e.g., Petition of Western Massachusetts Electric Company, D.P.U. 13-149, Motions for Protective Treatment (Stamp Granted Feb. 12, 2014); NSTAR Electric Company, D.T.E. 04-60 (March 14, 2005 Hearing Officer Memorandum); see also NSTAR Electric Company, D.T.E. 07-64 (November 19, 2007 Hearing Officer Memorandum); NSTAR Electric Company, D.P.U. 11-05/ 11-06/ 11-07. The Department has recognized that release of bid information, in particular, would seriously undermine the Company’s negotiating position in the market, and thus, jeopardize the ability of the Company to

C. Proprietary Information Regarding Market Forecast Information And Bid Evaluation Should Be Protected From Public Disclosure.

With regard to WP Support Tabs D and E, and Appendix 4 and 5 of Exhibit JU-4 and related information in the IE Report, the release of information in these documents to the public would compromise the ability of the Company to negotiate future purchase-power contracts because those exhibits contain proprietary and confidential information about the Company’s market forecast and quantitative and qualitative evaluation of bids. The Department has protected market forecast information associated with electricity contracts from the public record in the past. See, e.g., NSTAR Electric Company, D.T.E. 04-60 (March 14, 2005 Hearing Officer Memorandum); see also NSTAR Electric Company, D.T.E. 07-64 (November 19, 2007 Hearing Officer Memorandum). The exhibits were used by the Company in the evaluation of bids received and are considered proprietary by the consultants that produced them. More importantly, however, these projections must be protected from public disclosure because the Company has used this information to evaluate bids associated with the RFP process described herein, and may continue to use this forecast, or similar forecasts, to evaluate future bids for renewable generation services. Similarly, the information contained in WP Support Tabs D and E, if disclosed publicly, would
reveal how the Distribution Companies evaluate bids for qualitative criteria. If other parties gain access to the details of these exhibits, and the assumptions regarding future energy prices contained therein, the Company’s ability to negotiate the best deals possible on behalf of customers would be compromised. Accordingly, the Department should protect the information in WP Support Tabs D and E and Appendix 4 and 5 of Exhibit JU-4 from the public record.

III. CONCLUSION

WHEREFORE, for the reasons stated above, the Company respectfully requests that the Department grant its motion to protect from public disclosure confidential, competitively sensitive and proprietary information contained in the Confidential Exhibits. To the Company’s knowledge, information in the Confidential Exhibits is not otherwise available in the public domain.

The Company proposes that this information be protected from public disclosure for a period of three years, consistent with recent Department practice.

Respectfully submitted,

NSTAR ELECTRIC COMPANY d/b/a
EVERSOURCE ENERGY

By its attorney,

[Signature]

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Dated: July 31, 2018
COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

Petition of NSTAR Electric Company d/b/a Eversource Energy for Approval of Proposed Long Term Contracts for Offshore Wind Energy Generation Pursuant to Section 83C of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12

APPEARANCE OF COUNSEL

In the above-entitled proceeding, I hereby appear for and on behalf of NSTAR Electric Company d/b/a Eversource Energy.

Respectfully Submitted,

_________________________
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Dated: July 31, 2018
COMMONWEALTH OF MASSACHUSETTS
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Petition of NSTAR Electric Company d/b/a Eversource Energy for Approval of Proposed Long-Term Contracts for Offshore Wind Energy Generation Pursuant to Section 83C of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12 D.P.U. 18-76

APPEARANCE OF COUNSEL

In the above referenced proceeding, I hereby appear for and on behalf of NSTAR Electric Company d/b/a Eversource Energy.

Respectfully Submitted,

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Dated: July 31, 2018