

# Massachusetts Gov. Baker files legislation to invest \$750 Million in clean energy innovation, workforce development

*Bill Includes Key Policy Changes to Offshore Wind Procurement Process.*

BOSTON – Today, Governor Charlie Baker announced that the Baker-Polito Administration will file legislation to direct \$750 million to support the continued growth and development of the Commonwealth's clean energy industry. The legislation, An Act to Power Massachusetts' Clean Energy Economy, would establish a new Clean Energy Investment Fund, totaling \$750 million, that would support innovation, research and development, and job training in the clean energy sector, significantly expanding Massachusetts's national leadership on clean energy and climate change.

Additionally, the legislation refines the current offshore wind procurement process to increase efficiency, emphasize the importance of economic development and the creation of a diverse, equitable and inclusive workforce, and remove the price cap provision for future procurements of offshore wind projects to allow projects to offer greater investments in energy storage, reliability, and economic development.

"This legislation includes a historic, once-in-a-generation \$750 million investment to spur the next phase of clean energy innovation and will help advance critical priorities in the offshore wind industry by making key policy changes to the procurement process, lifting the price cap on project

proposals and transferring authority for selecting bids to DOER,” said Governor Charlie Baker. “Massachusetts continues to be a national leader for climate action and by utilizing federal funding through the American Rescue Plan Act, we can capitalize on this opportunity and strengthen our nation-leading clean energy industry.”

“Clean energy is an engine for economic growth and job creation in cities and towns across the Commonwealth, and this significant investment will kickstart a new era in this vibrant sector of Massachusetts’s innovation economy,” said Lieutenant Governor Karyn Polito. “By leveraging the unique assets we have here in the Commonwealth, including our educational institutions and regional employment boards, we can work together to create new job opportunities for Massachusetts residents and make sure our workers have the skills and training they need to meet the needs of emerging industries like offshore wind.”

To meet the nation-leading climate targets established by comprehensive climate legislation signed by Governor Baker in March 2021 – including a target of Net Zero emissions in 2050 – and to ensure Massachusetts remains a leader in the clean energy economy, the legislation creates a \$750 million Clean Energy Investment Fund to be administered by the Massachusetts Clean Energy Center (MassCEC). The fund, which will utilize federal recovery funding Massachusetts received through the American Rescue Plan Act, represents the single largest investment in the clean energy economy in Massachusetts to date, and will be used to:

- Fund grants, loans, equity investments, contracts and other forms of economic support for the advancement of clean energy technologies to commonwealth-based investors, entrepreneurs and institutions that are involved in the clean energy industry;
- Support the formation, growth, expansion and retention of Massachusetts’ leading clean energy businesses, institutions,

and projects;

- Support public higher education institutions and vocational-technical education institutions as they create and enhance workforce development and technical training programs;
- Provide assistance to regional employment boards and ensure that clean energy is a key strategy as part of their workforce development blueprints;
- Put the Commonwealth in position to help secure significant future federal funding support;
- Support research and development, including the interrelationship between clean energy infrastructure and existing natural habitats, ecosystems, and dependent species; Support the long-term coexistence and sustainability of the fishing and clean energy industries.

“Massachusetts has built a nation-leading clean energy sector on the strength of forward-thinking policies, bold investments, and dynamic partnerships, and this far-reaching legislation doubles down on those assets and sets the industry on a path for long-term success,” said Energy and Environmental Affairs Secretary Kathleen Theoharides. “In order to achieve our ambitious target of Net Zero emissions by 2050, we will need to foster the next generation of clean energy innovators and build a skilled, diverse, and equitable workforce, and this legislation offers the historic, urgent investment the Commonwealth needs.”

In order to maximize the potential for clean energy and economic development in the existing federal lease areas south of Martha’s Vineyard, and to attract significant investment and job creation in the Commonwealth the legislation outlines key changes to the offshore wind procurement process to promote objectivity, emphasize economic development, and ensure equity, certainty, and speed in future solicitations.

To provide an additional level of independence and to ensure an open, fair, and transparent solicitation and bid selection process, the legislation would transfer the authority to

select the winning bidder of the Commonwealth's offshore wind solicitations from the electric distribution companies to the Department of Energy Resources (DOER). The electric distribution companies would remain as participants in the evaluation and can provide technical advice to DOER. The legislation also provides DOER the authority to make the final determinations on the design aspects of future RFPs. Additionally, the legislation outlines changes to emphasize equitable employment and economic development, mitigation and avoidance of environmental and socioeconomic impacts, and benefits to environmental justice communities when reviewing project proposals.

The legislation also removes the original price cap established by energy legislation in 2016, allowing future bids to provide additional benefits by incorporating energy storage, optimizing interconnection points, and providing significant economic development. To provide greater regulatory certainty, the legislation sets a standard rate of remuneration for electric distribution utilities at 2.5 percent, reducing costs to ratepayers and providing enhanced clarity in the procurement process.

"Climate action requires unprecedented levels of innovation, entrepreneurship, and deployment of clean energy and energy efficiency, and Massachusetts has been a leader in catalyzing the technology advancements that lead to global solutions," said Department of Energy Resources Commissioner Patrick Woodcock. "This historic investment will build on the Commonwealth's climate leadership and foster the innovation that leads to new industries, new economic opportunities, and ultimately in cost-effective clean energy technologies."

"Through our continued investments in education, innovation and entrepreneurship, Massachusetts has established itself as a leader in clean energy," said MassCEC Interim CEO Jennifer Daloisio. "This legislation will accelerate innovative clean energy and climate solutions at an unprecedented pace, putting

us on a path to meeting our Net Zero emissions goals by 2050 and creating critical job opportunities for all residents of the Commonwealth.”

In March of 2021, Governor Baker signed comprehensive climate change legislation that increased the Administration’s authorization to solicit an additional 2,400 Megawatts of offshore wind, bringing the state’s total commitment to 5,600 Megawatts. On December 30, 2020, the Administration released two reports – the Massachusetts 2050 Decarbonization Roadmap Report and an interim 2030 Clean Energy and Climate Plan (CECP) – that detail policies and strategies to equitably and cost-effectively reduce emissions and combat climate change.

In May 2021, the Baker-Polito Administration and the Commonwealth’s electric distribution companies released the RFP for the third round of offshore wind energy solicitations under the Section 83C process, allowing bids up to 1600 Megawatts, doubling the size of previous procurements. In this solicitation, for the first time, the Administration required bidders to submit diversity, equity and inclusion plans that includes a Workforce Diversity Plan and Supplier Diversity Program Plan.

The plans will outline bidders’ commitment to promoting employment and procurement/contracting opportunities for minority, women, veterans, LGBT and persons with disabilities. The RFP also includes an enhanced criteria for economic benefits, including workforce development, local supply chain investments, and research and innovation. Bids were due on September 16, 2021 and a winning bid will be selected on December 17, 2021.

In June 2021, the Baker-Polito Administration re-filed its plan to immediately put to use part of Commonwealth’s direct federal aid from the American Rescue Plan Act to support key priorities including housing and homeownership, economic development and local downtowns, job training and workforce

development, health care, and infrastructure. As part of the Administration's proposal to jump-start the Commonwealth's economic recovery and support residents hardest-hit by COVID-19, such as lower-wage workers and communities of color, Governor Baker would direct \$900 million to key energy and environmental initiatives, including \$100 million to invest in port infrastructure to support the offshore wind industry.

In September 2021, the Administration announced the release of a new report assessing the workforce strengths, gaps, and opportunities in Massachusetts for the emerging offshore wind industry. The report analyzes offshore wind workforce development in the Northeast with a specific focus on Massachusetts, including an overview of the existing, relevant regional training programs, including grantees awarded under MassCEC's 2018 and 2020 workforce development awards. The analysis also examines the workforce needed to achieve Massachusetts' ambitious offshore wind goals, and the state's ability to supply the necessary workers.