

THE COMMONWEALTH OF MASSACHUSETTS OFFICE OF THE ATTORNEY GENERAL

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February 6, 2018

Judith Judson, Commissioner Department of Energy Resources 100 Cambridge St., Suite 1020 Boston, MA 02114

RE: Northern Pass Project Bid

Dear Commissioner Judson:

Thank you for your prompt action on Friday, February 2, 2018, in connection with the recent vote by the New Hampshire Site Evaluation Committee denying a certificate for the Northern Pass Transmission (NPT) Project. Your letter appropriately seeks to ensure an expeditious evaluation of the vote's impact on material aspects of the NPT bid that was considered and selected during Massachusetts' Section 83D clean energy procurement bid evaluation and selection process.

One of the core principles embedded in the Energy Diversity Act and the guidelines set forth in the Request for Proposals for Long-term Contracts for Clean Energy Projects (Issuance Date: March 31, 2017) (RFP), approved by the Department of Public Utilities, is ensuring a fair process for all bidders. Because it was anticipated that one or more of the Electric Distribution Companies' (EDCs) affiliated companies would submit bids, the legislation and the RFP include various checks on the EDCs' decision-making process. Two of the most critical fairness safeguards are the inclusion of the Department of Energy Resources (DOER) on the Evaluation Team and the participation of an Independent Evaluator to monitor the Evaluation Team's deliberations. Going forward, it is crucial that the process adhere to this structure.

Your February 2 letter outlines a four step plan: (1) the EDCs will ask NPT to provide an update on the status of the project and a timeline; (2) the EDCs will review NPT's written response and "assess it against the original bid to evaluate its impacts;" (3) the EDCs will jointly agree on next steps; and (4) the EDCs, DOER, and Independent Evaluator will meet to discuss the matter. It is unclear, however, whether this plan contemplates that the entire Evaluation Team, including DOER, will determine the status of NPT's bid and the required next steps, and whether the Independent Evaluator will monitor those additional deliberations.

Under the RFP, the Evaluation Team, not the EDCs alone, determine whether a proposal meets or fails to meet the RFP requirements. RFP, §2.1. The Evaluation Team retains this right at any stage in the procurement process. *Id.* Thus, while it may be appropriate for the EDCs to ask for updated information from NPT, any assessment or evaluation of the ongoing viability of NPT's bid or other bids rests squarely in the hands of the Evaluation Team, with the Independent Evaluator monitoring deliberations.

Thus, the Attorney General's Office ("AGO") requests that DOER confirm that any evaluation or assessment of NPT's bid and any determination of next steps will include DOER and be monitored by the Independent Evaluator. Further, in an effort to preserve the integrity, fairness, and transparency of this and future RFPs, the AGO makes the following recommendations: (1) the Evaluation Team explain in writing, and release to the public, any determination made by the Team pursuant to RFP §2.1 regarding its assessment of NPT's proposal in light of the certificate denial; and (2) convene a bidders' conference by February 16, 2018, to explain to all Section 83D bidders how the process will proceed.

I appreciate your efforts to proceed apace, while preserving an open, fair, and transparent process.

Very truly yours,

Haura Healey

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