



Key Highlights from IEC report:

- **Project Overview:** The report reviews Daymark Energy Advisors' analysis of the ratepayer impacts associated with the procurement of 3,600 MW of offshore wind capacity for Massachusetts, evaluating how different price scenarios affect electricity rates.
- **Baseline Assumptions:** Daymark's baseline model forecasts electricity demand and supply in the ISO New England region, considering factors like generation retirements and new renewable projects. Projections include 8,347 MW of offshore wind, 1,000 MW of land-based wind, and 31,069 MW of utility-scale solar by 2051.
- **Scenario Projections:** The analysis models offshore wind generation for 2032-2051, with three power purchase agreement (PPA) price scenarios: \$140/MWh, \$160/MWh, and \$180/MWh.
- **Ratepayer Impact Estimates:** Daymark estimates the average impact on residential electricity bills over a 20-year period:
 - \$140/MWh: Slight cost savings (approximately -\$0.01 per month)
 - \$160/MWh: \$1.13 monthly increase
 - \$180/MWh: \$2.27 monthly increase
- **Model Appropriateness:** The review confirms that the suite of models used by Daymark (capacity expansion, dispatch, and REC models) is standard for such analyses, providing a valid method for estimating ratepayer impacts.
- **Consistency with Economic Principles:** The results are deemed reasonable and consistent with economic principles. The slight savings in the \$140/MWh scenario, while counterintuitive, is explained by factors such as Renewable Energy Certificate (REC) value and reductions in locational marginal prices (LMPs).
- **Baseline Representation:** Daymark's baseline represents only projects currently in place or planned, excluding future clean energy initiatives beyond what is already committed. This gives a conservative estimate of renewable energy penetration.
- **Limitations:** Minor limitations were identified:

- Year-specific contract prices may slightly overestimate ratepayer costs.
- Assumed constant household electricity consumption (0.5 MWh/month) may underestimate future impacts, particularly with growing electrification trends.
- **Conclusion:** The report supports the overall reasonableness of Daymark's findings but notes that actual ratepayer impacts could vary based on future clean energy commitments not included in the baseline scenario.

This report provides a cautious yet insightful analysis of how offshore wind development could influence future electricity rates, with the potential for modest increases or small savings, depending on the procurement price.