

**Correcting Course:
Policy pathways for advancing racial justice and equity in offshore wind projects**

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I. Introduction

The offshore wind industry in New England is poised to take off over the next few years, powering homes and businesses across the region. The landmark 2016 energy diversity act authorizes utilities to competitively solicit and contract for about 1,600 megawatts of energy from offshore wind. Two projects—Vineyard Wind and Mayflower Wind—are ready in the wings pending final federal approval. As Massachusetts increases its offshore wind target, other developers will compete to get their projects online. Over the next 20 years, the offshore wind (OSW) industry is projected to generate \$100 billion in capital. Offshore wind makes environmental sense as a critical tool to reducing greenhouse gas emissions; it also represents a massive economic development opportunity for Massachusetts and the region. Given the promise and potential of OSW, Massachusetts’ clean energy future is looking bright.

This moment, when Massachusetts is poised to make a major transition to clean, renewable energy, intersects with a moment of national historic reckoning with racism amidst a global pandemic. 2020 has been characterized by substantial Black Lives Matter protests and activism in response to the tragic murders of George Floyd, Breonna Taylor, and Ahmaud Arbery, among many others. Renewed focus on racism and calls for an end to lethal action by the police have also engendered many leaders in Massachusetts to acknowledge the intersections between environmental justice and racial justice and how the climate crisis and the COVID-19 pandemic disproportionately impact black and brown communities. This moment, another step forward in the long march of the civil rights movement in this country, has sparked efforts by environmental activists and agencies to incorporate anti-racist policies in their programming and advocacy efforts. In this context, OSW has the potential to be a policy vehicle through which to work at the intersection of environmental and racial justice and equity.

When it comes to formulating racial justice and equity policy to set the terms of who will stand to benefit from major economic development opportunities, Massachusetts does not have the most admirable track record. Legalization of marijuana, real estate development in the Seaport District, and the Biotech industry are three examples of economic development opportunities that have benefitted wealthy, white investors, locking out minority communities, and exacerbating the yawning racial wealth gap in the Commonwealth. Without a clear policy for minority economic participation in OSW, the industry is not off to a good start—a course correction is needed.

The Environmental League of Massachusetts (ELM) and the New England for Offshore Wind Coalition (NE4OSW) can help to drive public policy to shape the OSW industry and to put a focus on racial equity and justice, not just on profitability and delivering low-cost energy to ratepayers. This report provides recommendations pertaining to a number of policy pathways that ELM can advocate for in order to advance racial equity and justice in the OSW industry.

The driving research question for this report is:

How can ELM advance policies to encourage the economic participation of historically marginalized communities in offshore wind?

a. A Racial Equity and Justice Framework for utility-scale offshore wind projects

Transitions to renewable energy systems are critical to meeting state commitments to reducing greenhouse gases and mitigating the impacts of the climate crisis. Applying an equity lens to clean energy systems, however, reveals that they are not inherently more inclusive, fair, or just than the older energy regimes from which they transitioned (Johnson et al. 2020). Clean energy systems, including offshore wind, are not naturally attentive to racial disparities (Chester Energy and Policy, March 5, 2018) and do not automatically tackle the structural dynamics and inequalities within the political and economic context in which they operate. For offshore wind to be equitable, it will need to address power asymmetries related to access and resource distribution early on; otherwise the same structural inequalities will simply be replicated and transferred over from older energy regimes. And furthermore, if offshore wind is to be *racially* equitable, it will need to enact anti-racist policies that actively address imbalances within policies whose negative outcomes disproportionately impact black and brown communities and shut them out from access to benefits and opportunities (Kendi 2019). When it comes to environmental and energy policy, black and brown communities disproportionately suffer the perils of fossil fuels and do not enjoy equitable access to the benefits of renewable energy sources.

A policy framework for OSW that puts a focus on racial equity and justice could include the following elements:

- Recognizing that black and brown communities disproportionately suffer the perils of fossil fuels and do not enjoy equitable access to the benefits of renewable energy sources;
- Including black and brown communities as full participants with agency to shape the decisions that affect them;
- Achieving a more just distribution of benefits and burdens from the OSW industry with historically and currently marginalized groups giving voice to how fairness is defined;
- Identifying the root causes of systemic injustice and analyzing how current policy guiding the OSW industry perpetuates racial inequality;
- Addressing power asymmetries related to access and resource distribution in OSW projects and enacting corrective policies.

(Framework adopted and modified from the following sources: Cisneros-Montemayor *et al.* 2019; Malloy & Ashcraft 2020; Johnson *et al.* 2020)

A key theoretical concept underpinning this framework is the *capabilities approach*. Policies are typically implemented through established governance processes (and economic development projects through established market mechanisms), which can reinforce existing vulnerabilities and power asymmetries. A capabilities approach to policy focuses on recognizing the needs of vulnerable populations and fostering their agency in decisions. Some of the capabilities needed for individuals and communities to exist as full members of society are “resources, opportunities, freedoms, and institutions” (Malloy & Ashcraft 2020). A capabilities approach to OSW would require policies from governments and commitments from developers to support the capabilities necessary for marginalized communities to participate in decision-making regarding the fair distribution of both the positive and negative impacts of OSW projects.

b. Methodology

David Sulewski, PhD Candidate at the McCormack Graduate School of Policy and Global Studies at UMass Boston and Civic Action Project Fellow, interviewed thirteen individuals over the phone or video between July and August 2020. These interviewees included former government officials, faculty, community organizers, OSW developers, business leaders, and energy policy analysts. To identify interviewees, the researcher received referrals from ELM staff and UMass Boston faculty, and then used the network sampling method of respondent-driven sampling, a useful tool particularly for accessing members of elite groups, such as members of government (Russell 2011). The interviews were conducted in an impartial and independent way in order to elicit opinions and perspectives on the topic of advancing racial equity and economic participation in present and future offshore wind projects. This report presents the interviewees’ views as faithfully as possible and without attribution so as to direct the reader’s attention to the substantive findings from the interviews. In addition to the interviews, the researcher also reviewed relevant academic literature, policy documents, and reports.

II. Policy Pathway #1: Diversity and Inclusion in Offshore Wind Projects

When asked their opinion about how OSW could foster the economic participation of historically and currently marginalized communities, two precedent-setting case studies of large-scale construction projects in Massachusetts that made diversity and inclusion a priority in the bidding process were cited: the Massport model and the Casino model. Both cases offer insights and best practices that could be replicable in future OSW projects.

A. The Massport Model – Giving just weight to diversity and inclusion in public-private partnerships

The Massachusetts Port Authority, or Massport, is an independent, public authority that owns parcels of land in Boston and throughout Massachusetts. A CEO and Board of Directors oversees

Massport's real estate objectives of generating new and sustainable revenue sources, driving economic development, and building infrastructure, primarily to support maritime and air operations. According to a board member, Massport does not sell land, it rents it out to generate revenue to support the agency (HKS 2019).

Massport owned property in the Seaport District, which over the decades had transformed from a lot into an array of restaurants, offices, and hotels, as well as the site of the Boston Convention and Exhibition Center. By 2014, about 70 acres of undeveloped property owned by Massport had become a highly coveted piece of real estate. Critics of the Seaport point out, however, that very few people of color participated in the transformation of the Seaport District, even though 25% of Boston's population is comprised of black residents. The concentration of wealth and prosperity in the Seaport District contrasted starkly with the glaring wealth disparity in Boston. In 2015, white households had a median wealth of \$247,500 while black households had a median wealth of only \$8 (Ana Patricia Muñoz *et al.* 2015).

Massport's managing of the development of the Seaport District was pulling into millions of dollars of revenue, it is just that none of it was being generated by black-owned businesses, none of the developers had black senior managers, and little of the wealth was pouring into black communities in Boston. In 2012, L. Duane Jackson, who had decades of experience advocating for minority participation in real estate development in Boston, became a board member of Massport and saw an opportunity to incorporate diversity and inclusion in projects moving forward.

Jackson wanted to see an increase in the number of minority and women workers hired for construction jobs. He also wanted to see minority and women participation in the development process, including equity participation, professional services, and workforce development. To do that, in tandem with the CEO Tom Glynn, he revamped how Massport selects developers.

Exercising its leverage as leaser of highly valued property, Massport insisted on serious minority participation on a deal for a new hotel in the Seaport District. The RFP process gave meaningful weight—25%—to diversity, requiring developers to incorporate diversity and inclusion plans into their bids and to provide a proof of concept to ensure compliance after the awarding of the bid. Requesting diversity and inclusion plans from developers was nothing new; the important distinction in the case of Massport was that it was *required*. The diversity and inclusion plans also required a certain percentage—around 4-5%—of equity ownership by minority investors.

As way of an example, the following is the comprehensive diversity and inclusion criteria (25% of the total criteria) for the Summer Street Hotel Project in the Seaport District (HKS 2019):

- The extent of minority / women business enterprises in the areas of development, financing, design, construction and ownership
- Quality of programs / initiatives for workforce development
- Contractor and supplier diversity programs
- Creative approaches to enhanced diversity and inclusion
- Local commitment and community outreach

- Level of specificity in proposal as to how the propose minority / women business enterprise goals will be achieved

The Massport model was successful in receiving competitive bids that incorporated all of the criteria into the proposals. The model relies on the principles of the free market: create the demand, let the developers compete among themselves, and then select the best proposal. The Massport model has gained national recognition, but it does not appear to have had any influence as of yet on how the OSW industry addresses the lack of diversity within the energy sector, although interviews with participants reveal genuine reflection and internal efforts by sector leaders to diversify their employees and explore pathways for enhancing diversity and inclusion in OSW projects.

Take-aways

- To incorporate diversity and inclusion in public-private partnerships, it is critical to set the criteria for evaluating bids in the request for proposal process. Massport, a quasi-state agency, has considerable autonomy (decisions require agreement among the CEO and board) and has evidently used its discretion to make minority participation in real estate deals a priority. In the case of OSW, one could rely on the volunteerism of developers or lobby public authorities to impose statutory conditions on developers, just as Massport did.
- In real estate, requesting diversity and inclusion plans is not new; what is new, and critical, about the Massport model is that it was required. Do not request, require diversity and inclusion plans in the RFP process for OSW projects.
- When setting the terms of diversity and inclusion, go beyond hiring practices for construction workers to include minority business participation; diversity of suppliers; diversity in design and maintenance; diversity in developer leadership; and diversity in equity ownership.

Strategies

- A notable component of the Massport model is that part of the diversity and inclusion criteria is requiring diversity in equity ownership. This is to ensure that black investors, historically shut out from investment opportunities in Massachusetts, are able to invest and therefore own a percentage of the project. Interviews with participants suggest that a parallel strategy to lobbying and influencing the RFP process to include diversity and inclusion criteria, would be to engage early with black investors so they are primed to take advantage of OSW investment opportunities.
- Potential partners to engage with on the investment and equity side of OSW projects could be the following: Richard Taylor (his firm won the Massport bid, he is a founding member of the Minority Developers Association, member of the Boston branch of the NAACP, a Republican, and purported to be close to Gov. Baker); Glynn Lloyd of the Foundation for Business Equity; Segun Idowu of the Black Economic Council of MA; as well as the newly formed New Commonwealth Racial Equity and Social Justice Fund.
- To encourage participation of minority owned businesses, a possible entity that could lend support could be [Small Business Strong](#).

B. The Massachusetts Casino Model: Building Diversity into the Construction Sector

The Massachusetts Casino Model provides a compelling case study for how to foster diversity and inclusion and economic participation for minority communities in large-scale construction projects because (1) it mandates through legislation that gaming license applicants must meet clear diversity and inclusion goals—in other words, the legislation creates the demand—and (2) the authoritative entity tasked with implementing the law, the Gaming Commission, established an accountability structure in the form of the Access and Opportunity Committee that monitored and evaluated, and, when necessary, course-corrected the progress of contractors and vendors toward meeting their goals.

Prioritizing diversity and inclusion in the Massachusetts Gaming Legislation: strategic lessons from behind the scene

In 2011, Governor Deval Patrick and the Legislature passed into law the Expanded Gaming Act, which framed the expansion of gambling in the Commonwealth as an opportunity to generate jobs and business opportunities—a needed boost to the economy as the state continued to recover from the Great Recession of 2008. Notable about this jobs bill is that it prioritizes establishing a diverse workforce; providing opportunities for minority, women and veteran-owned businesses; and setting clear goals for hiring minority, women, and veteran workers in the construction and then operation of the casinos. Chapter 23K of the bill, which pertains to prioritizing diversity and inclusion, states that applicants for gaming licenses must meet clear criteria—namely, utilizing minority, women, and veteran business enterprises as contractors, construction workers, and vendors; hiring and promoting a diverse, skilled workforce; and implementing a workforce development plan that includes an affirmative action program, among other criteria. Chapter 23K, however, was not part of the original version of the bill and attempts to introduce an amendment to weave a diversity and inclusion element into it failed. A brief account of how Chapter 23K made it into the Gaming Legislation holds valuable lessons for a potential strategy for incorporating diversity and inclusion goals in offshore wind projects in either legislation or RFPs.

As casinos expanded in the northeast region, the Patrick Administration weighed the costs and benefits of expanding gambling in the Commonwealth. After deliberations with senior cabinet members, Governor Patrick decided to move forward and tasked the Secretary of Housing and Economic Development to draft legislation. Drafting of the bill took place mainly behind closed doors and did not contain any diversity and inclusion language. The Assistant Secretary for Access and Opportunity in the governor's cabinet saw the bill, which many touted as a jobs bill, and felt strongly that expanding gaming in Massachusetts should also expand opportunities to minority, women, and veteran workers and businesses.

The Assistant Secretary for Access and Opportunity approached Rep. Linda Dorcena Forry (D-12th Suffolk District), member of the MA House of Representatives, to explore the idea of introducing diversity and inclusion language into the bill through an amendment. The Assistant Secretary drafted the amendment and the representative introduced the amendment in the House. The amendment failed in the House, garnering very few affirmative votes. The Assistant

Secretary then approached Sen. Sonia Chang-Díaz (D-2nd Suffolk District), in the Senate. She also introduced the amendment in the Senate where it failed a second time. Reasons for the amendment's failure are unknown. The amendment did not receive any floor debate and no recorded vote was held, so it is difficult to understand why lawmakers voted against it. One hypothesis is the fact that the governor's initial bill did not contain any diversity and inclusion elements provided cover for lawmakers to vote against the amendment. Whatever the reason, advancing economic participation for minority, women, and veteran workers and businesses through an expansive jobs bill did not gain traction in the MA Legislature. To underscore the point, a provision that would have created an opportunity for minority individuals and groups to become equity owners of the casinos was proposed in the House and Senate and lost by an even greater margin than the diversity and inclusion amendment.

Governor Patrick vetoed the bill, though it is not clear whether or not the absence of the diversity and inclusion amendment factored into his decision. About a year later, the Governor had conversations with leadership in both the House and Senate about refiling the legislation once the deficiencies that the Governor saw in the bill were corrected. The version of the bill that the Governor refiled contained the diversity and inclusion amendment and both the House and Senate approved it.

Take-aways

A brief account of the behind-the-scenes legislative history of how Chapter 23K made it into the Expanded Gaming Act of 2011 provides valuable lessons and resources for efforts to advance minority economic participation in present and future OSW projects.

- The Massachusetts casino model, in addition to the MassPort model, sets an important precedent for prioritizing diversity and inclusion in large-scale construction projects. Future efforts can point to these two models as compelling cases from which to draw best practices and to make the persuasive argument to potential detractors that what may seem like a legislatively heavy lift has been done before.
- Amendment 23K provides a legislative template that can be adapted for future language in either legislation or RFPs for large-scale utility offshore wind projects.
- Getting the amendment on the floor and ultimately in the final bill was, in great part, a function of relationships. Depending on ELM's relationship with Gov. Baker and his administration and their posture respective to a diversity and inclusion element to offshore wind projects, ELM could devise a strategy of influence either by advocating Gov. Baker and/or the Secretary of Energy and Environmental Affairs directly or advocate allies in the House and Senate to put forth such an amendment. The casino case study reveals that the governor's support may exert more influence on the House and Senate than members of the House and Senate advocating for the amendment. As one interviewee made the point that if the governor is not supportive of a bill, then it is a much harder lift for the House Speaker and Senate President to secure the votes needed to pass it. A window of opportunity to gain support from Governor Baker on incorporating diversity and inclusion in offshore wind projects may be open as one interviewee indicated that the Governor understands the importance of the MassPort model and is interested in making racial equity and justice a legislative priority.

- Potential allies in the legislature: Rep. Patricia Haddad and Sen. Mark Pacheco—they could give guidance and insight into how to include provisions into legislation.

Implementing the law: achieving diversity in casino development through monitoring and a multi-stakeholder process

A critical component of achieving diversity and inclusion in casino construction and operation was legislating that all gaming license applicants set clear, ambitious goals. Historically, achieving diversity in construction has been viewed from a supply perspective. This approach, however, has been insufficient in achieving diversity goals because established construction worker procurement practices rely on existing social networks that are inherently racially biased. To increase supply, creating demand is essential, which is what the Expanded Gaming Act of 2011 does by mandating gaming license applicants to meet diversity and inclusion goals. Therefore, creating demand to increase supply is one critical component. Another is monitoring. One interviewee observes:

“Getting the bill passed, as hard as it can be, is sometimes the easier part of realizing what you are trying to accomplish in the new law. Because whatever entity is responsible for implementation, especially if it is an executive branch agency, and if they are not fully amenable to the idea, there are many ways in which you can implement the law, but not implement it faithfully to all of the provisions in it.”

The gaming law mandated the creation of the Gaming Commission whose founding chair was Steve Crosby. According to interviewees, Steve Crosby understood the importance of the new law and embedded the bill’s language, particularly the language about diversity and inclusion, into the Commission’s regulations to ensure their implementation. Even before a shovel hit the dirt, the Commission co-sponsored events with the Assistant Secretary of Access and Opportunity with minority, women, and veteran businesses and workers to inform them about opportunities to work on the upcoming casino projects.

The Gaming Commission also created a new position—Director of Workforce, Supplier and Diversity Development—whose main responsibility was to monitor progress of all stakeholders—contractors, unions, and vendors—toward meeting their diversity goals. Mindful that construction projects without clear diversity goals tend to create conflictual dynamics between contractors who work to complete projects under tight deadlines and advocacy groups that push for the hiring of diverse workers on projects that are already underway, the Director of Workforce, Supplier and Diversity Development created the Access and Opportunity Committee (AOC) that brought all parties around the same table before construction of the casinos were underway. Creating a committee that met once a month helped to avoid contentious dynamics among the parties, set clear goals in writing, and establish consistent monitoring and evaluation procedures. This three-pronged approach—demand, supply, and monitoring—is essential to diversifying construction projects.

The Gaming Commission also partnered with vocational high schools throughout the Commonwealth to generate interest in construction jobs for women and minority students, creating a diverse workforce pipeline for future projects. To recruit women workers, in

particular, because they represent the smallest percentage of workers in construction, the Gaming Commission, in partnership with the Northeast Center for Tradeswomen’s Equity, launched “Build a Life that Works” campaign, a branded outreach advertisement campaign to generate awareness among women, particularly women of color, of high-paying careers in the building trades.

To learn more about the best practices generated by the Casino model, read *Built to Last: Best Practices for Diversity in the Construction Industry, The Massachusetts Casino Development Experience*.

A note about setting diversity and inclusion goals in public-private partnerships

A number of interviewees, discussing both the Massport and casino models, observed that having a public agency set quotas or goals for diversity and inclusion for private businesses can be legally suspect and therefore challenged in court. Better to require plans and let the developers compete among themselves in a race to the top. One interviewee warned that well-intended goals can end up at cross purposes. For example, if a project requires meeting a local hiring or supply goal, that may risk foregoing goals for hiring minorities and women or contracting with minority and women businesses if they are not present within the scope of what is defined as ‘local’. This observation may be relevant for OSW projects launched from the New Bedford Terminal. Mass CEC, which leases the terminal to developers has its own criteria pertaining to hiring practices, strongly recommending that developers work in harmony with local unions. A diversity and inclusion initiative in OSW projects, therefore, will need to engage with labor unions on the South Coast to devise a strategy for meeting local and diversity & inclusion goals.

A note on workforce development

Advocating for advancing racial justice through OSW projects in the form of including diversity and inclusion goals throughout the phases of OSW projects will also require investing in workforce development to make sure that a diverse pool of minority-owned businesses and minority workers are trained, certified, and ready. A number of research participants raised questions about how some of the technical aspects of OSW projects differ from other construction projects, such as hotels and casinos. One participant observed that for some phases of OSW projects there will need to be a transfer of expertise from Europe—for example, to manage the installation of wind turbines at sea. Such projects may fall outside the scope of Project Labor Agreement, according to one interviewee. At the terminal New Bedford Marine Commerce Terminal operated by MassCEC, local union labor stands to benefit from the jobs needed to carry out the bulk of construction for OSW projects that happen at port before being loaded on to ships for installation at sea.

A challenge to meet the promise of OSW will be to have workers, “educated, trained and skilled professionals and tradespeople at all levels, ready to finance, develop, permit, manufacture, construct, manage, and maintain these complex offshore installations” (MassCEC, July 28, 2020) Recently, MassCEC granted over \$2 million to twelve academic institutions, labor organizations, and other groups to create workforce training and development programs to prepare the workforce for the burgeoning OSW industry. The kinds of jobs needed include steel workers,

engineers, electricians, site managers, fisheries experts, financiers, oceanographers, among many others.

In addition to developing the needed technical skills for the OSW industry, many workers will need to receive certification. The non-profit organization Global Wind Organization has created training standards that prepare technicians for the risks faced working offshore. GWO certification, along with certification requirements for unions, raises questions about access and opportunity for minority job seekers.

It appears that efforts are underway to develop a workforce for the OSW industry. There is also evidence based on interviews that some industry leaders are engaging in internal processes to diversify their workforce. One interviewee shared that his company recently underwent a rigorous search to hire a qualified woman of color for a position in the communication office but was not able to find any candidates. Some developers are engaging with organizations dedicated to creating a diverse body of leaders across the country to drive transitions to clean energy. One such organization mentioned is the [Clean Energy Leadership Institute](#). That OSW developers are starting to take diversity and inclusion more seriously provides a potential window of opportunity to engage with developers and collaborate on initiatives that advance racial justice through generating opportunities for economic participation for minority communities. As one participant observed, white males continue to dominate the energy industry, including renewable energy. Workforce development initiatives alone will not be enough to address the issue of diversity. They will need to be paired with programs that provide access, opportunity, and support to minority individuals interested in pursuing a career in the OSW industry. Developers can create stronger links with the academic institutions and workforce training agencies by providing internship opportunities and scholarships for minority students and workers.

Take-aways

- For all the similarities between the Massport and casino models—namely, both required diversity and inclusion plans in the RFP processes—there are a few notable differences worth flagging for their relevance to formulating a strategy for advocating for diversity and inclusion in OSW projects.
- First, Massport is a quasi-state entity with considerable autonomy in its decision-making power. Massport seems to have undergone an internal process to review its RFP process (albeit after criticism emerged of the Seaport’s lack of diversity and inclusion in its development projects) to include diversity and inclusion criteria. The Gaming Commission, on the other hand, works within the legislative framework of the Gaming Act. The OSW industry is still heavily regulated by federal and state legislation. Environmental advocates could engage directly with OSW developers and rely on their volunteerism to incorporate diversity and inclusion plans in their projects or, given that state legislation dictates the terms of RFPs, advocates could seek to shape the OSW industry by shaping public policy.
- Second, the casino model has best practices for incorporating diversity and inclusion in large-scale construction projects, but the Massport model seems to go further by including an equity component. Efforts were made to incorporate an equity—that is, a percentage of ownership by minority investors—into the Gaming Act, but it failed in the

House and Senate. Advocates could use the Massport model to incorporate a minority equity requirement in RFPs for OSW projects.

- Third, both Massport and the Gaming Commission had an accountability structure in place for holding developers to their diversity and inclusion goals; however, the Gaming Commission invested more in developing an accountability structure by forming an Access and Opportunity Committee and hiring a Director of Workforce, Supplier and Diversity Development. Advocates could lobby for the creation of a similar position at the Department of Energy Resources to ensure compliance to the terms of the RFP. Or, if an appropriate agency does not exist, then a new agency could be created similar to the [Clean Energy Equity Office](#) in NJ (the bill supporting the creation of this bill, however, has [yet to pass](#)).

Strategies for influencing the RFP process

There are important lessons to draw from the Massport and casino models. There are parallels between OSW projects and other large-scale construction projects—such as hotels and casinos—in Massachusetts, but there are differences because of the involvement of purchasing energy, the decision-makers involved, and consideration around the cost of energy for ratepayers.

In the case of Massport, the CEO and board members had the authority to change the RFP and bidding process. The Gaming Commission also had considerable autonomy and authority to interpret the law and implement its diversity and inclusion elements. Both entities held considerable leverage in influencing the developers' behavior. Both held possession to coveted resources: gaming licenses, in the case of the Gaming Commission, and parcels of land in the highly valued Seaport District. In the case of OSW, Federal and State government have leverage. Developers compete in a highly competitive environment for offshore leases and the public policy, rather than the market, still largely dictates the terms of OSW projects. If the state includes goals pertaining to diversity and inclusion in the RFP, then developers will prioritize that in their bids.

Both models set important precedents and establish best practices that can be applicable to the OSW industry. There is an opportunity to shape the OSW industry by shaping public policy. OSW is not yet driven by the market; it is driven heavily by public policy. Shaping public policy on OSW is the best bet for shaping the industry. In Massachusetts, public policy currently shaping the OSW industry places a high premium on securing low energy costs for ratepayers, the viability of OSW projects, and economic development. As of yet, little to no consideration is given to the extent to which OSW projects address issues of racial equity. New York appears to have included minority economic participation in its most [recent OSW solicitation](#), and may provide an important template for Massachusetts.

There are a few pathways for influencing the RFP process. The Department of Energy Resources (DOER), in consultation with an independent evaluator, selects the winning bid from contractors. The bid, however, is subject to final review by the Department of Public Utilities (DPU). The DOER takes direction from the legislation; therefore, including any requirements related to advancing racial justice and equity will likely be carried out in the process of issuing RFPs and selecting winning bids. It is possible that DOER, without any guidance from legislation, could

enact diversity and inclusion elements in the RFP process, but they are more likely to take direction from legislation. The DPU is able to either approve or deny the selected bid. The DPU is an economic regulator of the utilities (the utilities are the entities actually purchasing power from the energy producers), so they authorize the contract between the utilities and the energy producers based on whether or not the state is making a reasonable expenditure. The focus of the DPU is narrowly on making sure that ratepayers are not overburdened—if the price of energy is deemed too high for ratepayers, the agency will not move forward with the contract. Equity issues do not factor into their analysis. One research participant shared that in Massachusetts there are discussions, albeit in the early stages, within the agency to broaden the focus to take into account climate goals. Under the hypothetical situation that a contract including diversity and inclusion elements, and higher costs for ratepayers as a result, came under review by the DPU, it would be unlikely that the DPU would null it if the elements fulfilled a legislative mandate.

All to say that influencing the RFP process at the top—at the level of the state—should result in dictating the behavior of the agencies tasked with carrying out the RFP process and approving contracts, and then in turn the behavior of the utilities and bidding developers. This begs the question, however, to what extent do utility companies and developers have influence over the legislature.

III. Policy Pathway #2: Different Models for Ownership of OSW Developments

Another potential policy path for expanding access to equity in OSW projects and greater distribution of the benefits of OSW can be to explore different ownership models. Respondents in this study, however, do not seem to think that proposing alternative models of ownership beyond the commercial corporate model seemed feasible. In the literature, although only recently, has there been an enumeration of different ownership models for *onshore* wind farms with their respective advantages and disadvantages (Slee 2015):

Ownership model	Advantages	Disadvantages
Commercial corporate	Companies with expertise in renewable developments; have capital to invest	Economic benefits mostly limited to the companies; resistance from local residents and environmental justice communities interested in expanding equitable access to benefits and mitigating negative impacts
Community	Allows, under various institutional geographical focus of ownership and benefits; creates scope for wider climate change engagement	high transaction costs. Limited skills in many communities. Uptake depends on community capacity rather than where community need or technical potential is greatest
Co-operative	Allows collective membership of geographical and other communities of interest	Creates ‘insiders’ and ‘outsiders’ in local community because of members and non-members of co-ops

Governments try to maximize the benefits of OSW projects usually by demanding low costs to ratepayers and economic development opportunities in terms of workforce development and

demanding use of local content, such as supply components. Governments expect these benefits because they subsidize the projects with local taxpayer money. Proponents of community ownership models for OSW ask: what happens when OSW developers bid at prices that require zero subsidy, removing price as a factor in deciding which contract to give out? They propose that governments can decide to award the winning bid based on how much they are willing to sell into community ownership (Wind Power Monthly, August 31, 2018).

There are a few cases in Europe of community-ownership offshore wind farms. For example, In Denmark, about 10,000 investors from the local community own 50% of the 40MW Middelgrunden offshore wind farm. Ørsted owns the other half.

A study in the UK examining the impacts from planned onshore wind farms in Scotland found that while construction and operation of the wind farms would generate jobs, the economic benefits of job creation were dwarfed by the positive effects of selling shares of the wind farm into community ownership (BVG Associates 2017).

Further research into community-ownership models in Europe is needed to assess the feasibility of pursuing a similar approach for future OSW projects in New England.

IV. Policy Pathway #3: Mandating credits for low-income ratepayers

Of principal concern to the Commonwealth of Massachusetts when mandating utility companies to purchase energy from OSW projects is to make sure that ratepayers are not overburdened by the costs of energy. However, costs may still not be low enough for low-income residents struggling to make ends meet.

An environmental justice community organizer on the South Coast recommended making credits for low-income ratepayers available as a pathway for sharing the benefits of OSW energy available to communities locked out of purchasing renewable energy to power their homes and lives. Receiving credits to tap directly into wind power helps to lower the bill for, say, a family of two receiving at most \$200/week through TAFDC.

The offshore wind developer Vineyard Wind and the nonprofit Citizens Energy Corporation announced a Resiliency and Affordability Fund to contribute \$1 million in annual funding over 15 years to provide low-income benefits to communities hosting OSW projects. Vineyard Wind vows to contribute to the fund once construction of the OSW project gets underway. The fund will support distributed battery energy storage and solar projects and provide credits to low-income ratepayers' utility bills. Communities in New Bedford, Martha's Vineyard, Nantucket, Barnstable, Yarmouth, and in Bristol County are slated to benefit from this fund.

Take-aways & recommendations

Community-based deployment of distributed battery energy storage, funding for energy storage and solar projects, and ratepayer relief are a few ways that developers can equitably distribute the benefits of OSW projects.

Whether the initiative to create a fund to benefit communities hosting OSW projects comes from the developers or through advocacy from nonprofits, ELM could consider baking resiliency and affordability funds into the RFP process, thus mandating developers to dedicate a portion of their revenue to community benefits. Additionally, community benefit projects could be tailored to address the specific needs of minority and environmental justice communities within and beyond communities hosting OSW projects. Equity, then, will be defined in terms of cumulative, historical impact and marginality, not just in terms of alleviating impact for host communities.

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