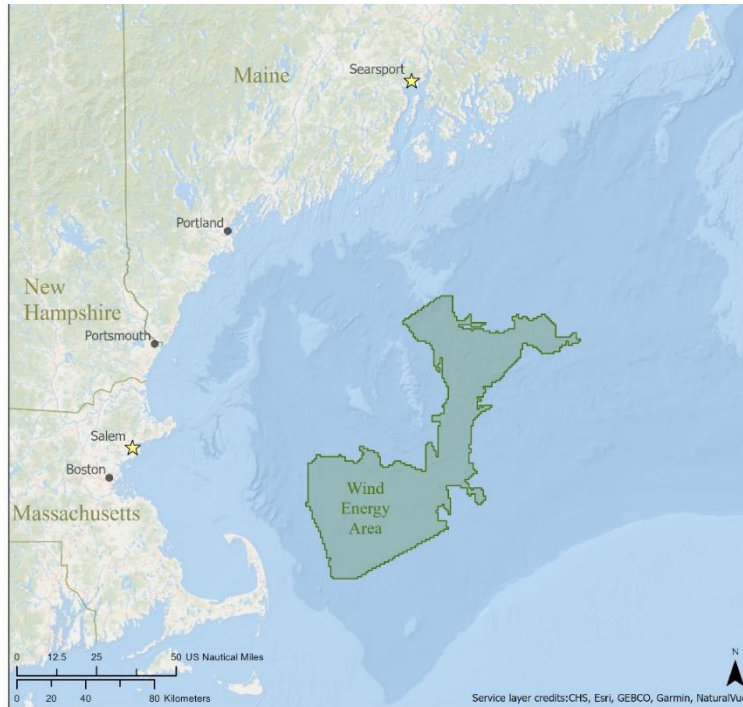


## BUDGET NARRATIVE

As described above, this coalition proposes to invest in Searsport, Maine and Salem, Massachusetts to upgrade the infrastructure of those ports to accelerate the deployment of FOSW in the Gulf of Maine and advance a regional initiative to support FOSW (Figure 1).



*Figure 1. Searsport, ME and Salem, MA port locations proximity to BOEM Wind Energy Area*

The states regard this as one GHG emission reduction measure with three sub-measures:

- Sub measure one: Searsport – This coalition is requesting grant assistance through the CPRG program to construct a port facility dedicated for FOSW. The purpose of the FOSW port is to congregate, store, stage the WTG components, manufacture, or assemble the floating foundations and integrate the WTG components onto the floating foundations to deploy from quayside. Maine DOT will lead this sub-measure.
- Sub measure two: Salem – This coalition is requesting grant assistance through the CPRG program to bolster the current investment in the port of Salem to support FOSW projects and to electrify the port. MassCEC will lead this sub measure.
- Sub measure 3: Regional Initiative to Support FOSW – This sub measure will support a sub-regional initiative focused on advancing FOSW specialized ports, vessels, other infrastructure, supply chain, and workforce for the Gulf of Maine. Special emphasis on efforts and measures that increase access to opportunities for low-income and disadvantaged communities. MA CEC will lead this sub-measure with additional support from GEO.

The budget submitted from the Maine GEO to coordinate and implement the measure to unlock the deployment of 13 GW of clean energy from FOSW in the Gulf of Maine fits within the CPRG Tier B range and includes the following components:

## **Personnel**

Maine GEO will hire two Public Service Coordinators II to coordinate the two primary aspects of this CPRG project: A Ports Coordinator and a Supply Chain Coordinator. The budget includes a salary of \$80,413 per year over five years for each position.

The Ports Coordinator will work closely with Maine DOT/Maine Port Authority on the Searsport Sub measure 1 and will be responsible for complete delivery of the programmatic aspects. Similarly, the Ports Coordinator will work closely with the Massachusetts partners to provide programmatic coordination on Sub measure 2 at the Port of Salem.

The Supply Chain Coordinator will work closely with all coalition members on Sub measure 3, regional supply chain initiatives, to ensure complete delivery of the programmatic aspects. The Supply Chain Coordinator will oversee regional supply chain work conducted in Maine. The Coordinator will manage contractual work focused on supply chain development in Maine and will coordinate with the Supply Chain Project Manager at MassCEC.

The budget also includes 10 percent of the Maine Offshore Wind Program Manager's time to oversee complete delivery on all programmatic aspects of the grant. Also included is 5 percent of Finance & Operations Manager time for administration of this grant. The budget includes \$15,264 per year over five years.

## **Fringe Benefits**

Fringe benefits for each of the Ports and Supply Chain Coordinator positions is estimated at 35 percent. The budget includes fringe benefits of \$55,277 per year over five years for each position.

Fringe benefits for the GEO Offshore Wind Program Manager and Finance & Operations Manager is estimated at 35 percent. The budget includes fringe benefits of \$6,342 per year over five years.

## **Travel**

Travel for each Coordinator is budgeted at \$3,108 per year over five years for each position. Travel for the GEO Offshore Wind Program Manager to provide programmatic oversight to the grant is budgeted at \$3,108 per year over five years. Travel will cover trips to meetings and conferences in Maine and the region.

## **Equipment**

Equipment for each coordinator is budgeted at \$3,080 per year over five years for each position. Equipment will cover computers and associated equipment.

## **Supplies**

Supplies for each coordinator is budgeted at \$600 per year over five years for each position.

## **Contractual**

The budget includes \$300,000 in Year One for GEO to contract for support with supply chain development and engagement and for a preliminary supply chain infrastructure study of constraints to bringing clean power to shore. The budget includes \$200,000 in Year Two for a refined supply chain infrastructure study with a stakeholder engagement process.

## Other Contractual

The budget includes subawards to the following subrecipients:

Maine DOT: \$130,000,000

MassCEC: \$66,149,291

## Indirect

The indirect rate is 9.415 percent (GEO's negotiated indirect cost rate agreement with Department of Energy) and is applied to the Maine GEO component of the budget (not to the subawards). The total indirect for this award to \$189,455.

### Budget Narrative for Sub measure 1: Searsport (Maine DOT)

Maine DOT is requesting grant assistance through the CPRG program to construct a port facility dedicated for FOSW. The purpose of the FOSW port is to congregate, store, stage the WTG components, manufacture, or assemble the floating foundations and integrate the WTG components onto the floating foundations. The WTG components will be delivered to the port facility on large bulk carrier vessels or barges. These components will then be transferred via crane to the wharf and placed in storage in the port uplands.

Floating foundations can be fabricated using either concrete or steel. The concrete materials will be delivered to the port via road or barge. The concrete foundations will be cast in the port uplands and moved to the wharf face when casting and assembly operations are complete. Smaller components of the steel foundations will be delivered to the port via large bulk carrier vessels or barges, transferred via crane to the wharf and placed in storage in the port uplands. These steel foundation components will then be assembled in the terminal uplands and moved to the wharf face when assembly is completed.

Once the foundations are completed and at the face of the wharf they will be moved onto a semi-submersible barge. This barge will then launch the foundations into the water. The launched foundations are then brought back to the wharf face, via tugboat, where the WTG components are installed on the foundations. This installation process is known as WTG integration.

The request for funding assistance from CPRG for Maine's FOSW port project is \$130,000,000. The funding will be used for design and construction costs to construct a Phase 1, 60-acre floating offshore wind port facility on Sears Island. The total cost of the phase 1 project is \$337,427,044 with a 30 percent contingency. Key features include:

- 800lf Wharf - \$81,416,000 (**\$81.4 million from CPRG**)
- Infill Area - \$45,282,304 (**\$45.2 million from CPRG**)
- Upland Area - \$57,990,827 (**\$3.4 million from CPRG/ \$54 million Other Funds Share**)
- Total Direct Cost - \$184,689,131 (**\$130 million from CPRG**)
- Total Construction Cost (Approx. 50-acres total) - \$261,796,844
- **Total Cost w 30 percent Contingency – \$337,427,044 (\$130 million from CPRG/\$207 million Other Funds Share)**

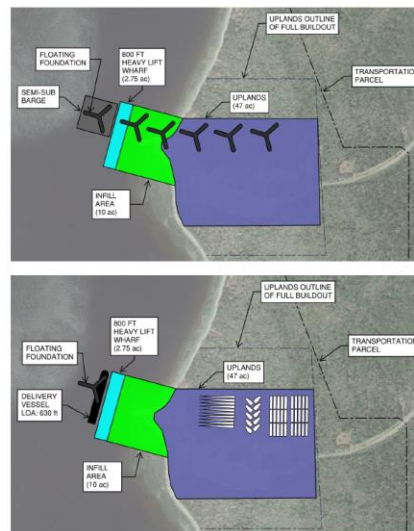
CPRG funding will be used to construct the Phase 1 Searsport Offshore Wind Port. The primary elements of the project funded by CPRG will be an 800 linear foot, 2.75-acre heavy-lift quay for floating offshore

wind turbine construction and foundation launching. CPRG funds will also be used for the majority of the 10-acre ocean fill area, or infill area. This is a pile-supported concrete heavy lift area that will use cranes and equipment to launch floating foundations and install WTG components onto foundations. Finally, the State of Maine will entirely fund the 47-acre upland area which will be used for staging and laydown, foundation assembly lanes, and pre-cast concrete module fabrication. The upland area will also have a small office and parking area. The total footprint of the Phase 1 Searsport Offshore Wind Port is 60-acres.

The State of Maine will be responsible for ensuring that the non-federal construction costs and any cost overruns are provided from a combination of state bond funding and private capital. The project will also include a private company that is intended to be the operator of the Searsport Offshore Wind Port. Maine expects to solicit for operators in the Spring of 2024. The public-private partnership between Maine and a private operator will likely deliver the project.

The Searsport Offshore Wind Port is a significant project for Maine. The state plans to engage a variety of federal and state resources to permit and fund the project. The project is transformative for Maine and the Searsport region, and the Governor's February 20, 2024 announcement signals that the state is open for business and ready to build a port facility. The Phase 1 project will be capable of constructing the Maine Research Array, a 10-turbine 144-MW project that will be New England's first full-scale FOSW research project. Maine is expecting to complete construction of the Searsport Offshore Wind Port by 2029/2030 and begin construction of the Research Array, which is expected to take 3 years. The State of Maine intends to file permit applications for construction by September 2024 for a 100-acre Searsport Offshore Wind Port.

- 800 ft berth, all heavy lift wharf.
- 60 acres total terminal size
- Assumes foundation assembly and loadout will occur separately as shown in the sketches.



12/20/2023

Moffatt & Nichol

*Figure 1 Phase 1 - 40 acres.*

When funding is available at a later date, the State of Maine intends to fully construct the Searsport Offshore Wind Port into a 100-acre facility in a Phase 2 project.

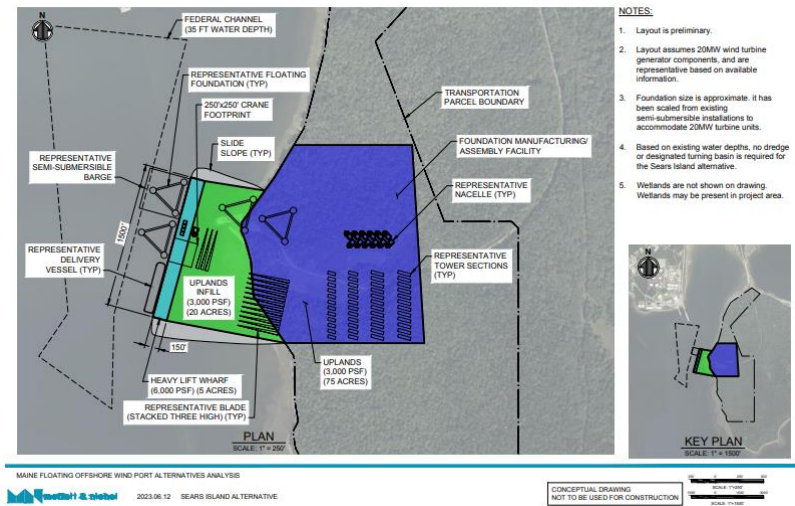


Figure 2 Phase 2 - 100 acres.

Maine DOT adheres to Administrative and National Policy Requirements during all phases of all projects. Maine DOT's Federal grant and formula fund experience includes the management of numerous infrastructure projects and the associated Federal requirements and regulations, such as compliance with Title VI/Civil Rights, Buy America, Americans with Disabilities Act, Uniform Relocation Assistance and Real Property Acquisition Act, and Davis Bacon Act. Maine DOT follows all applicable domestic preference laws including Executive Order 14005, 'Ensuring the Future Is Made in All of America by All of America's Workers' (86 FR 7475) and ensures the use of goods, products and materials produced in the United States for all infrastructure projects. The work will comply with the Build America Buy America requirements and a waiver is not anticipated to be required at this time.

### Budget Narrative for sub measures 2 and 3: Salem and Advancing Floating Offshore Wind Infrastructure, Supply Chain, and Workforce in Gulf of Maine (MassCEC)

Total Estimated MA Project Budget: \$176,149,291

Total Federal Project Budget: \$66,149,291

Total Non-Federal Project Budget: \$110,000,000

#### Non-Federal Budget Breakdown

- \$110,000,000 – MassCEC funding for Salem Offshore Wind Terminal
  - \$30,000,000 – Site acquisition
  - \$80,000,000 – Phase 1 capital improvements

#### Sub measure 2.1: Salem Offshore Wind Terminal – Improvements for FOSW

Summary: The MassCEC, Crowley Wind Services, and the City of Salem have joined together in a public-private partnership to redevelop a 42-acre former coal-fired power plant site in Salem's Designated Port Area transforming it into a purpose-built OSW port for staging and deploying OSW turbine components.

The first phase of the project includes the construction of a delivery berth, load-out berth, heavy lift platform, laydown yards, transition yard, and parking areas that will enable the redeveloped facility to support the receiving, storage, partial assembly, transportation, and deployment of WTG components for fixed-bottom OSW farms currently under development in the Southern New England lease areas. Beyond its utility and importance for supporting fixed-bottom wind farms in the Southern New England lease areas, the Salem Offshore Wind Terminal will play a critical role in supporting the development of FOSW in the Gulf of Maine. Enabling the Salem Offshore Wind Terminal to serve floating wind projects will require the development and implementation of a comprehensive dredged management project. Under existing conditions, current water depths in the federal channel, harbor turning basin, and at the terminal berth, are too shallow to accommodate floating wind foundations. In addition to deepening these navigational resources to allow for the inbound delivery of the semi-submersible platforms, the staging and integration of turbine components at the Terminal quayside, and the outbound delivery of the platforms with installed turbine, this project track will include planning and siting work to identify the most appropriate locations for wet-storage of the semi-subs (before and after integration) and for a local confined aquatic disposal cell that is anticipated to be needed for a small amount of dredged material. Through this and the other tracks, the project partners will maintain robust engagement and dialogue with local community and stakeholders.

#### Personnel

- 80 percent of a MassCEC Project Manager (Salem Offshore Wind Terminal) to provide comprehensive project management functions for the project, including development of RFPs, reviewing and awarding of contracts, contract development and execution, contract management, budget tracking, project reporting, partner collaboration, community and stakeholder engagement. The budget for this is \$64,000 for the first year plus 3.5 percent salary increase in subsequent years.
- 25 percent of a MassCEC Deputy Managing Director position to provide senior staff level administration for the project, including oversight, direction, and consultations for contracts, project budget, partner relationships and communications, and community and stakeholder engagement. The budget for this is \$37,500 for the first year plus 3.5 percent salary increase in subsequent years.

#### Fringe

- The fringe benefit rate used by MassCEC of 49 percent is based on budgeted fiscal year benefits for the organization in comparison to total budgeted salaries. The types of benefits included within total benefits are health, dental, vision, life, disability, workers compensation and unemployment insurance, retirement benefits, social security and Medicare and employee assistance programs.

#### Indirect

- MassCEC uses a 10% indirect cost rate in line with the de-minimus rate in Section 200.414 of the Uniform Guidance. The base used for calculation is total direct costs less distorting factors. (Indirect Rate x [Personnel & Fringe]) = Indirect Costs

#### Travel

- Travel for one national/regional conference per year and support for in-state and regional (Maine, New Hampshire) travel for meetings and convenings related to the project. Budgeted at \$2,035/year plus 3 percent subsequent years.

#### Equipment

- One laptop for Project Manager at \$2,000

### Contractual

- Contract #1: MassCEC Owner's Engineer. Technical support from contractor with expertise in marine and civil site development; dredging; environmental remediation; geotechnical and/or structural design; design, permitting, and construction procurement documentation; and conducting oversight of major marine and civil infrastructure projects to assist MassCEC in project management and oversight. Budget estimate of \$305,806 is based on similar scopes of work procured by MassCEC.
- Contract #2: Salem harbor/port management and local coordination. Direct support from City of Salem/Salem Port Authority for staff time to support ongoing management and coordination services, including local harbor/port operations, regional and local dredge working groups, consultation and communications with key stakeholders. Budget is \$50,000/year.
- Contract #3: Marine geologic survey, sampling, design, engineering, and permitting. Includes support for CAD cell siting and permitting. Budget estimate of \$1,725,000 is based on similar scopes of work procured by MassCEC or project partners.
- Contract #4: Bid package development and construction management. Budget estimate of \$528,900 is based on similar scopes of work procured by MassCEC or project partners. Could be combined with Contract #3.

### Construction

- Contract #1: Dredging of 3,338,000 cubic yards (at \$13.25/cy), plus mobilization, demobilization, survey, and close-out. Budget estimate of \$48,692,500 is based on similar scopes of work procured by the Commonwealth and other comps from the Army Corps of Engineers.

### **Sub measure 2.2: Salem Offshore Wind Terminal - Port Electrification: Inventory, Planning, and Shoreside Power**

Summary: Project partners will develop and implement (1) an Offshore Wind Vessel Shore Power Plan and (2) a Zero-Emissions Port Plan, including stakeholder engagement, design, engineering, and permitting, and accelerate the timelines for implementation and deployment. The Offshore Wind Vessel Shore Power Plan will provide the roadmap for shore power for all harbor craft and ocean-going vessels calling at the Salem Offshore Wind Terminal, with an accelerated timeline to achieve full infrastructure build-out by 2030. The Zero-Emissions Port Plan will provide the roadmap to transition the Terminal to fully zero-emission operations including all offshore wind component and other cargo handling equipment (e.g., SPMT, forklifts, cranes) with requisite electric charging (or hydrogen fueling) infrastructure by 2040.

### Personnel

- 20 percent of a MassCEC Project Manager (Salem Offshore Wind Terminal) to provide comprehensive project management functions for the project, including development of RFPs, reviewing and awarding of contracts, contract development and execution, contract management, budget tracking, project reporting, partner collaboration, community and stakeholder engagement. The budget for this is \$16,000 for the first year plus 3.5 percent salary increase in subsequent years.

### Fringe

- The fringe benefit rate used by MassCEC of 49 percent is based on budgeted fiscal year benefits for the organization in comparison to total budgeted salaries. The types of benefits included within total

benefits are health, dental, vision, life, disability, workers compensation and unemployment insurance, retirement benefits, social security and medicare and employee assistance programs.

#### Indirect

- MassCEC uses a 10 percent indirect cost rate in line with the de minimus rate in Section 200.414 of the Uniform Guidance. The base used for calculation is total direct costs less distorting factors.  
(Indirect Rate x [Personnel & Fringe]) = Indirect Costs

#### Contractual

- Contract #1: port emissions inventory, strategy development, and feasibility assessment. Budget estimate of \$275,000 is derived from *Shore Power Technology Assessment at U.S. Ports 2022 Update* and similar scopes of work procured by MassCEC and project partners.
- Contract #2: electrical power distribution system assessment and design of substation, duct bank, switch gear, cable-handling equipment. Budget estimate of \$350,000 is derived from *Shore Power Technology Assessment at U.S. Ports 2022 Update* and similar scopes of work procured by project partners.

#### Construction

- Contract for construction of substation, duct bank, switch gear, cable-handling equipment for shore power at delivery and main berths. Budget estimate of \$ \$8,000,000 is derived from *Shore Power Technology Assessment at U.S. Ports 2022 Update*.

### **Sub measure #3: Advancing Floating Offshore Wind Infrastructure, Supply Chain, and Workforce in Gulf of Maine**

Summary: To fully achieve a mature FOSW sector in the Gulf of Maine, additional assessments, planning, and investments are required that build on prior work and include broad collaborations led by the states and together with federal and local government, port authorities, offshore industry companies, workforce organizations (including skilled trades and organized labor), local supply chain business, and many other organizations. This sub measure will support a sub-regional initiative focused on advancing FOSW specialized ports, vessels, other infrastructure, supply chain, and workforce for the Gulf of Maine. Special emphasis on efforts and measures that increase access to opportunities for LIDACs.

#### Personnel

- 50 percent of a MassCEC Project Manager (Gulf of Maine Supply Chain/Workforce) to provide comprehensive project management functions for the project, including development of RFPs, reviewing and awarding of contracts, contract development and execution, contract management, budget tracking, project reporting, partner collaboration, community and stakeholder engagement. The budget for this is \$40,000 for the first year plus 3.5 percent salary increase in subsequent years.

#### Fringe

- The fringe benefit rate used by MassCEC of 49 percent is based on budgeted fiscal year benefits for the organization in comparison to total budgeted salaries. The types of benefits included within total benefits are health, dental, vision, life, disability, workers compensation and unemployment insurance, retirement benefits, Social Security and Medicare and employee assistance programs.

#### Indirect



- MassCEC uses a 10 percent indirect cost rate in line with the de minimus rate in Section 200.414 of the Uniform Guidance. The base used for calculation is total direct costs less distorting factors.  
 $(\text{Indirect Rate} \times [\text{Personnel \& Fringe}]) = \text{Indirect Costs}$

#### Contractual

- Contract #1: Gulf of Maine sub-regional floating OSW sector development assessment and strategy: secondary ports, vessels, supply chain, and workforce. Budget estimate of \$ is based on similar scopes of work procured by MassCEC. Budget estimate of \$325,000 is based on similar scopes of work procured by MassCEC and project partners.
- Contract #2: Basis of design report and 10% designs for a second Manufacturing and Fabrication Port in the Gulf of Maine. Budget estimate of \$300,000 is based on similar scopes of work procured by MassCEC and project partners.
- Contract #3: Third-party administrator of funding for regional supply chain forums, technical assistance, and directed support for business readiness and workforce development. Budget estimate of \$4,000,000 is based on similar scopes of work/grants procured or administered by MassCEC.