

Appendix C.2

Investment Plan Requirements

On July 18, 2019, New York State passed the Climate Leadership and Community Protection Act (Climate Act), putting into law the most aggressive climate agenda in the United States. The Climate Act includes a requirement for New York State to procure 9,000 megawatts of offshore wind by 2035 – representing nearly half of the region’s offshore wind pipeline – and aims to invest at least 35 percent of clean energy and energy efficiency program resources to benefit Disadvantaged Communities. To complement this bold statement of national and global leadership, Governor Hochul has also called for New York State to invest up to \$500 million (subject to legislative approval of the proposed FY 2023 Executive Budget) in New York offshore wind port, manufacturing, or other supply chain infrastructure to leverage and strengthen private investment and maximize the long-term economic benefits to the State. This represents the nation’s largest infrastructure commitment to offshore wind and is a critical ingredient in realizing the potential long-term economic benefits to the State from the regional development of offshore wind.

New York State intends to invest these resources in a manner that maximizes benefits across New York State and establishes New York as the regional offshore wind hub and industry leader on every level of the value chain. Accordingly, through this RFP, NYSEDA is offering up to \$300 million (subject to legislative approval of the proposed FY 2023 Executive Budget) of New York State Funding for investments in cables, blades, nacelles or ports activity, with the remainder of the \$500 million in New York State Funding for supply chain investments to be made available through separate processes as detailed in the Supply Chain Factsheet. Investment proposals seeking to use New York State Funding should take into account the broad decarbonization goals of the Climate Act and should consider green building and process designs that mitigate or eliminate emissions.

Proposers interested in exploring new opportunities for investments and commitments to local economic and workforce development benefits are also encouraged to consult with the New York State Empire State Development (ESD) Cleantech and Renewable Energy program, which may provide other resources and information as to potential opportunities in the Proposers’ region of interest. Interested Proposers are encouraged to reach out directly to ESD at: Cleantech@esd.ny.gov.

Continued development of the offshore wind industry in New York and along the eastern seaboard requires the associated development of local infrastructure that includes both port and manufacturing infrastructure to support the regional supply chain. At this critical moment of the industry’s growth, it is vital to ensure that New York State’s port infrastructure, manufacturing assets, and small to medium enterprises supporting the supply chain are prepared to participate in the industry and build a domestic supply chain while transitioning a clean energy economy workforce. Investment Plans submitted through this ORECRFP22-1 should aim to be fully operational as early and as long as possible. Thoughtful Investment Plans will capitalize on the growing regional demand for port and manufacturing resources and on New York’s goal to be the national hub for the offshore wind industry.

The terms of this Appendix C.2 apply to the Required Base Proposal and Alternate Proposals that include Investment Plans as described in ORECRFP22-1 Section 2.1.3 but not to Required Standalone Proposals or Alternate Proposals that do not include Investment Plans.

C.2.A New York State Funding Terms

C.2.A.1 General Terms

New York State is offering up to \$300 million of New York State Funding for Eligible Expenses, to be disbursed as critical Investment Plan milestones are met.

- Requests for New York State Funding must be matched by at least \$3.00-for-\$1.00 (\$3.00 of private capital¹ for every \$1.00 of New York State Funding)
- Proposers may apply for up to \$125 million of New York State Funding towards Eligible Expenses for any individual Investment Plan. Investment Plans requesting amounts outside of this range will be considered only if the Investment Plan demonstrates an extraordinary need for a different amount of New York State Funding. New York State Funding would be provided by New York State at critical milestones in an Investment Plan's development and/or construction phase. For purposes of this RFP, Proposers should assume disbursements occur on the following schedule, unless the Investment Plan demonstrates a need and justification for a different schedule:
 - 25% at commencement of construction works
 - 25% at final completion of the Proposed Site Investment.
 - 10% at the end of each of the first five years of the facility's operation, subject to the achievement of target metrics as further described in Section C.2.B.7 below.

C.2.A.2 Need for New York State Funding

Investment Plans must demonstrate that the proposed Investment Plan requires New York State Funding in order to be viable. To do so, Proposer is required to submit a detailed description of each source of funding available to fund the Investment Plan (including any equity investment, debt financing, grant funding or other capital), and the Proposer and the Funding Recipient must certify that the list of available funds is accurate to the best of the Proposer's Funding Recipient's knowledge. The Investment Plan must also include a budget setting forth the proposed uses of funding. Both the description of funding sources and the budget must include sufficient detail to allow the Investment Scoring Committee to evaluate whether the Investment Plan requires the requested New York State Funding to be viable. The Investment Scoring Committee may request additional detail from the Proposer and/or the Funding Recipient to inform its determination. To the extent the Investment Scoring Committee determines that the amount of requested New York State Funding is not required for

¹ Funding provided by New York State, the Federal government or other public sources does not constitute "private capital" for this purpose.

the Investment Plan to be viable, NYSDERDA reserves the right to make a counteroffer with a reduced amount of New York State Funding.

C.2.A.3 Project-Specific Terms

As further described in Section C.2.B.7, New York State Funding agreements with Funding Recipients will include (i) minimum metrics, which, if not met over the first five years of the facility's operation, would result in repayment of grant funds and (ii) target metrics, which are required to be met in order to unlock the 10% of funding to be provided in each of the first five years of the facility's operation.

Other Proposed terms associated with New York State Funding should be articulated by Proposers in the Investment Plan Data Form, as described in ORECRFP22-1 Section 6.3.3. Specific terms and funding mechanics associated with New York State Funding will be subject to direct negotiations between the Proposer, Funding Recipient and New York State, as discussed in ORECRFP22-1 Section 7.2. Proposers are encouraged to minimize their request for New York State Funding, while not compromising the financial viability of the Investment Plan, to maximize their competitive position in this RFP.

At a minimum, each Investment Plan should include:

- A detailed sources and uses chart, consistent with the statement of need for New York State Funding described in Section C.2.A.1;
- Detailed description of any request for competitive NY Green Bank financing;
- If available, recent financial statements of the Funding Recipient that allow for verification of the proposed sources and uses;
- If the Funding Recipient is not credit-worthy and/or is a newly-formed special purpose entity, identification of the entity that will provide credit support, along with a detailed proposal with respect to the amount and form of such credit support and financial statements and/or ratings in relation to that entity;
- A detailed and accurate corporate entity organizational chart illustrating the proposed sources and uses and credit support structure;
- Whether any completion guarantee or similar undertaking is contemplated, by what entity, under what conditions and covering what scope.

C.2.A.4 NY Green Bank Financing

Proposers are also encouraged to seek NY Green Bank Financing in connection with their Investment Plan. NY Green Bank is a State-sponsored specialized financial entity that works with the private sector to identify, address, and alleviate market barriers preventing the widespread deployment of clean energy projects across New York State. NY Green Bank is generally able to make competitively-priced, market-based debt financing available to offshore wind supply chain projects in New York State in an amount of approximately \$25 million to \$100 million per project. More information on NY Green Bank can be found at <https://www.greenbank.ny.gov>.

C.2.A.5 Carbon Neutral Buildings

Proposers may consider applying to NYSERDA's New Construction – Commercial Program (PON 3609) for the design, development, and construction of carbon neutral buildings.

C.2.B Eligible Investments

An Investment Plan can be submitted for any Eligible Investment Site as part of the Required Base Proposal and Alternate Proposals per ORECRFP22-1, Section 2.1.3. For clarity, in its submission to this RFP, a Proposer can submit multiple Proposals that involve multiple Investment Plans for different Eligible Investment Sites. Likewise, an Eligible Investment Site is eligible to support multiple Proposers under this current RFP. A Proposer can also submit multiple Investment Plans for the same Eligible Investment Site, to account for different uses, different funding approaches, or any other variation in the planned development approach.

Investment Plans seeking New York State Funding to localize port, blade, nacelles or cables activity at an Eligible Investment Site should demonstrate the following eligibility criteria. Investments which do not meet the minimum threshold below, or are not for port, blade, nacelles, or cables activity, may be considered in the Project's Economic Benefits Plan without receiving New York State Funding and may contribute to the Total Expected Dollars via Category 1 as described in Appendix C.1.

- For a port infrastructure investment to be eligible for New York State Funding, the investment must support at least 200 long term direct jobs.
- For a blade manufacturing facility to be eligible for New York State Funding, the investment must:
 - a. Include the entirety of the blade production processes from layup through casting and final finishing and quality control processes; and
 - b. Support at least 500 long-term direct jobs.
- For a nacelle production facility to be eligible for New York State Funding, the investment must:
 - a. Include at a minimum, full hub production, full backend production, final assembly as well as quality control processes; and
 - b. Support at least 200 long-term direct jobs.
- For a cable production facility to be eligible for New York State Funding, the investment must:
 - a. Include at a minimum, wire drawing, annealing, twisting and stranding, extrusion, cabling, testing, spooling; and
 - b. Support at least 200 long term direct jobs.

New York State is poised to invest in green infrastructure that can support low carbon intensity offshore wind staging, manufacturing, and/or other offshore wind related uses that create real, persistent and sustainable institutional or labor capabilities in New York State, and that have the potential to reduce the cost of future offshore wind projects. Proposers should consider including detail in the Investment Plans addressing:

1. LEED certification for the facility;
2. Green, sustainable and energy efficient process and support equipment;

3. Process heating provided by low-carbon fuels, heat pumps, electric arc furnace, or electric resistance (exclude burning of fossil fuels);
4. Materials and composites that can be safely off-gassed with minimal carbon emissions; and
5. Waste heat capture and regenerative technology.

The Investment Plan supports the Proposal's Economic Benefit Plan and associated Economic Benefit Claims as described in Appendix C.1, specifically those Economic Benefit Claims associated with Category 2, which are associated with New York State Funding. For the avoidance of doubt, New York State Funding itself cannot be counted as part of a Proposal's Economic Benefits Plan or Incremental Economic Benefits Claims.

The organization and contents of the Investment Plan should align with the below sections and should be responsive to the evaluation criteria described in Section C.2.D. However, Proposers are encouraged to use their discretion to structure the Investment Plan in a manner that most effectively facilitates New York State's review. Proposers may expand the Investment Plan beyond the below requirements.

If a Proposal includes multiple Eligible Investment Sites, the Proposer should submit a separate Investment Plan for each. An Investment Plan can be included in more than one Proposal. If the overall Submission includes different approaches to use or funding of an investment, a separate Investment Plan is required for each approach. Proposers should follow the instructions noted in Section 6 of the RFP and the Master Offers Form in indicating which Investment Plan(s) are applicable to which Proposal(s).

Each Investment Plan must be accompanied by an Investment Plan Data Form.

If selected for conditional award, Proposers will be expected to work with NYSERDA to enter into one or more agreements with NYSERDA under which Proposer will make a contractual capital commitment (which may be in the form of a cash investment, anchor order or other type of capital) to the Investment Plan. Simultaneously, NYSERDA will work with the Funding Recipient(s) to enter into one or more agreements with the Funding Recipient covering the terms and conditions of the New York State Funding. These arrangements may be set forth in the same agreement or in multiple separate agreements.

C.2.B.1 Site and Proposer Identification and Description

Proposers should identify the Eligible Investment Site of a facility used in the Investment Plan. Proper identification should include geographic information system (GIS) data, address, a description of the surrounding neighborhood, and aerial visuals of site delineation.

Proposers should also identify the current ownership/control (proof of ownership or contractual relationship with owner is required), operational structure, and uses of the site as well as for any adjacent site that is relevant to the Investment Plan. Applicable deeds and/or lease agreements for the Site should be included as attachments to the Investment Plan. This information should include the terms of any relevant current leases within the site.

Proposers should clearly describe the role of all organizations in the Proposer's team.

Proposers should include a basic description of the existing site and site infrastructure. To the extent possible, this information should include, but is not limited to:

- A general description of the surrounding area and land use;
- Number of developable acres;
- Elevation and flood plain map of the site;
- Wetland map of the site;
- On-Site power and other utilities, including water, sewer, sanitation or waste management;
- Access to road and rail transportation for relevant transportation routes;
- Infrastructure and buildings;
- Key current and historical environmental conditions;
- Existing usage and viability of converting to the proposed use; and
- If site is a port, additionally:
 - the water depth and seabed conditions of the quayside, adjacent channels, and relevant vessel routes;
 - Protection from surges, storms, and hurricanes.
 - Existing needs for maintenance dredging (frequency and average volume);
 - Description of shoreline (*e.g.*, bulkhead, revetment, natural, *etc.*)
 - Dimensions of the quayside;
 - Bearing capacity of the quayside and upland area;
 - Nautical distance from all existing federal offshore wind energy areas (WEAs) that could be serviced by the site;
- The Eligible Investment Site's locational proximity to Disadvantaged Communities as identified by [NYSERDA's interactive map](#).

Additionally, proposers must provide a concentric ring map identifying the following points of interest and resources in proximity to the Investment Site:

- Public transportation;
- Childcare services;
- Healthcare facilities;
- Workforce centers;
- Wraparound services

C.2.B.2 Proposer Experience

Proposers should demonstrate their experience and management capabilities to successfully implement the Investment Plan, including development, construction, and operation. Supporting materials may include organizational charts, details of specific port or manufacturing facility experience (as applicable), and the resumes of key personnel associated with the Investment Plan project.

C.2.B.3 Proposed Site Activity

Proposers should describe the proposed long-term use of the site (Proposed Site Activity) as related to offshore wind. This description should include:

- Role(s) in the offshore wind supply chain;
- Expected end-users of the site, including the proposed operational structure (long-term vs. short-term leases, single user vs. multiple users, etc.);
- Expected duration of use of the site and its capacity/availability for other Developers and Projects;
- The site's ability to compete with other regional and global offshore wind supply chain facilities; and
- The types of vessels or vehicles that would utilize and service the site.

Proposers should also identify any physical barriers, on the site or elsewhere, that may impede the Proposed Site Activity. These may include land/water access constraints, overhead restrictions on site, or air draft restrictions on waterways between the site and the Atlantic Ocean.

C.2.B.4 Proposed Site Investment

Proposers should first clearly identify the Investment Plan's Funding Recipient. The Funding Recipient will be responsible for execution of the Investment Plan and will be the entity New York State evaluates for creditworthiness, as described in Section C.2.E.

Proposers should identify the scope of planned physical Site upgrades (Proposed Site Investment), including proposed changes to the list of site conditions listed in Section C.2.C.1. If the site is a port, specific reference should be made to any required ongoing dredging needs. This description should include justification for all upgrades required to enable the Proposed Site Activity, including those related to both Eligible Expenses and Non-Eligible Expenses as identified in the Investment Plan Data Form. The Proposer should also describe the maturity of its project design and the uncertainty of the value of Eligible and Non-Eligible Expenses. Proposers should identify if existing facilities at the Investment Site will require reinvestment, conversion, and rehabilitation to serve the proposed offshore wind supply chain activities. Proposers should indicate and identify specific and direct ways that the project will mitigate or reduce climate change impacts in the development and operation of the investment site. Green building and site design, adaptive re-use, recycling, use of renewable energy, equipment electrification, implementation of lean manufacturing and continuous improvement in operations, green transportation technologies and other mainstream and innovative activities and use of technologies that increases the operating and energy efficiencies of the site, reduce emissions or discharge from the site, and contribute to more robust and resilient infrastructure should be incorporated.

This section of the Investment Plan should also describe the Proposer's overall financing plan to support the Proposed Site Investment, including its request for New York State Funding, any other government financial support, and any private capital. If appropriate, this section should include a transaction diagram. The financing plan should match the figures provided in the Investment Plan Data Form, as described in ORECRFP22-1 Section 6.3.3.

Proposers should include a permitting plan for the site, including a summary of the current permitting status, as well as a summary of critical environmental issues or concerns and a description of how they will be addressed.

C.2.B.5 Investment Plan Contracts

Proposers should outline the status, parties and key elements of any contract, letter of intent or similar arrangement relating to the Investment Plan. This may include engineering, procurement and construction contracts; operation and maintenance contracts; and revenue contracts with end-users of the Eligible Investment Site. Specific detail should be offered regarding the contractual relationship between the Investment Plan and the Project. Proposers should also include a description of the counterparties, status of contractual negotiations, and the steps and time necessary to complete such negotiations.

In particular, Proposers should indicate the following attributes of each material contract:

- Credit quality of contractual counterparty
- Pricing structure
- Liquidated damages, if applicable
- Risk allocation among the parties
- Term of contract

Proposers should also describe a description of any uncontracted revenue streams, including analytic support for the forecasted pricing of such revenue.

C.2.B.6 Insurance

Proposers should provide a description of the contemplated insurance program for the Investment Plan, including proposed limits for the construction, operation and liability coverage, key sub-limits and deductibles.

The Proposer's insurance program must describe how climate-related physical risks are factored into the ***insurance deductible and if added resilience measures or design and construction features taken to strengthen the ability of the Investment Site to handle climate shocks or stresses may act to lower insurance premiums or deductibles.***

C.2.B.7 Economic Benefits

Proposers should provide an estimate of the Incremental Economic Benefits that would result from successful execution of the Proposed Site Investment and Proposed Site Activity. Economic Benefits should include only those direct benefits that would accrue to New York State under the completion of the Proposed Site Investment, and that would not have accrued but for the completion of the Proposed Site Investment. For the avoidance of doubt, eligible claims may further include expenditures made in 2022, prior to the issuance of this RFP, but where the definition of Incremental Economic Benefits is respected. Economic Benefits should be presented in three categories:

- Category 2: Incremental Economic Benefits associated with development and construction of the Investment Plan Supply Chain Facility. Stated in terms of net expenditures (stated in nominal dollars), and the number of short-term and long-term direct job creation (stated in both unique jobs and FTE-years) and job retention in New York State. New York Jobs and Workforce Claims should be described in the New York Jobs and Workforce Plan and must be entered on the

corresponding worksheet. Matching private capital investments are eligible for inclusion in this category. Economic benefits in this category will be included in both the Agreement and the supply chain facility funding agreement.

- Category 4: Incremental Economic Benefits associated with operation and maintenance of the Investment Plan Supply Chain Facility. Stated in terms of net expenditures (stated in nominal dollars), and the number of short-term and long-term direct job creation (stated in both unique jobs and FTE-years) and job retention in New York State. New York Jobs and Workforce Claims should be described in the New York Jobs and Workforce Plan and must be entered on the corresponding worksheet. Matching private capital investments are eligible for inclusion in this category. Economic benefits in this category will be included only in the supply chain facility funding agreement, and not in the Agreement.
- Category 5: Other economic benefits that are reasonably expected to accrue in connection with New York State Funding of the Investment Plan. Stated in terms of net expenditures (stated in nominal dollars), and the number of short-term and long-term direct job creation (stated in both unique jobs and FTE-years) and job retention in New York State. New York Jobs and Workforce Claims should be described in the New York Jobs and Workforce Plan and must be entered on the corresponding worksheet. Matching private capital investments are eligible for inclusion in this category. Economic benefits in this category will be included neither in the Agreement nor the supply chain facility funding agreement, but will be considered in the Investment Scoring Committee's evaluation of the Investment Plan's investment-worthiness.

The Investment Plan should include both a qualitative description and quantitative summary of the Economics Benefits associated with the Proposed Site Investment. These Economic Benefits should match those provided in the Investment Plan Data Form(s), with alignment provided per the template in Table C.2.1 below. Category 2 entries should be aligned with Table V-2 of the Offer Data Form.

Table C.2.1: Template for Economic Benefits Claims Entry

| EB[2/4/5] ID | Detailed Description |
|--------------|----------------------|
| | |

Each Investment Plan must also enumerate (i) minimum metrics, which, if not met over the first five years of the facility's operation, would result in repayment of grant funds and (ii) target metrics, which are required to be met in order to unlock the 10% of funding to be provided in each of the first five years of the facility's operation. The Investment Plan must provide minimum and target metrics for each of the categories set forth in Table C.2.2 below and may propose additional metrics.

Table C.2.2: Template for Minimum Metrics Entry

| Investment Plan Economic Benefit | Minimum | Target |
|---|----------------|---------------|
| Total Category 2 and 4 Economic Benefits – Expenditures | | |
| Total Category 2 and 4 Economic Benefits – long-term unique jobs | | |
| Expected MWBE and SDVOB Dollars (Categories 2 and 4) | | |
| Total long-term unique jobs in Disadvantaged Communities (Categories 2 and 4) | | |

C.2.B.8 Sub Component and Local Supply Chain Engagement

To build a resilient, strong, and domestic supply chain for offshore wind Proposers should clearly outline a supply chain localization plan that will enhance the Project’s long term viability through cost reduction and economic benefits that align and support industry growth in New York and the United States. The plan should include a narrative, potential cost reduction schedule as a result of localization of supply chain and proposed timeline with major milestones to develop a supply chain around the investment. Depending on the scope of the Proposed Site Activity and Proposed Site Investment, relevant suppliers should include –

- Major Sub-components – localization of new supply chain partner(s) in New York or opportunities for existing New York supply chain partners to align and partner with the proposers existing global partner. The sub-components should be outlined in the template shown in Table C.2.3.

Table C.2.3: Template for Sub-Component Localization Entry

| Sub-component | Purpose | Number of Jobs | Timeline to Localize | Attract/NY Based Opportunity/Hybrid |
|----------------------|----------------|-----------------------|-----------------------------|--|
| | | | | |

Proposers will be required to developed a commodity catalogue. The commodity catalogue will articulate the following for major and minor components and services – description of component or service; key characteristics; process steps; technical criteria and special commercial considerations. The Proposer will be required to work with NYSERDA Jobs and Supply Chain Technical Working Group to develop a partnership list that could include - New York industry associations, New York manufacturing extension partnership centers, maritime associations, local economic development organizations and other beneficial partners to engage with and identify and enable local supply chain partners and/or identify or enable sites that could support the attraction of supply chain activity if local partners do not exist. A proposer should articulate the optimal timeframe prior to operation that would allow for local supply chain partners to work through approval processes to become an approved supplier.

C.2.B.9 Community and Stakeholder Engagement and Support

Proposers should demonstrate the community and stakeholder engagement and support of an Investment Plan. Depending on the scope of the Proposed Site Activity and Proposed Site Investment, relevant stakeholders could include the maritime community, environmental advocates, local elected officials, environmental justice advocates, members of Disadvantaged Communities, local businesses, and the local public, among others. Proposers should include a qualitative description of the community and stakeholder engagement and support in the Investment Plan Narrative, and provide a specific work plan associated with such in the Stakeholder Engagement Plan as part of Appendix F.

C.2.B.10 Alignment with the Climate Act & Ongoing Tracking and Reporting Capability

Proposers should describe how the Investment Plan aligns with key objectives of the Climate Act, including:

1. The Investment Plan's ability to reduce the costs to New York State ratepayers associated with the procurement of electricity from offshore wind generation projects.
2. The Investment Plan's ability and plans to provide clean energy transition job opportunities for New York residents who may lose employment in the current transition to a green economy, such as the provision of worker retraining in connection with conversion of existing infrastructure or manufacturing facilities to become part of the offshore wind supply chain;
3. The Investment Plan's ability and plans to provide economic opportunities for New York State Disadvantaged Communities, Service-Disabled Veteran Owned Businesses and Minority and Women Owned Business Enterprises; and
4. Efforts taken by the Investment Plan to use creative solutions to minimize the imbedded carbon in development and carbon emissions from the Project.

The Investment Plan should also address the following areas:

5. The magnitude of estimated clean energy generation that is expected to be enabled as a result of the Investment Plan;
6. Design considerations that promote climate adaptation and resiliency of the Investment Plan Site in responding to such threats as sea level rise and dynamic flooding events, potential impacts from increased frequency and severity of storms (i.e., superstorms, heavy precipitation events), seismic activity, etc.); and
7. The methodology that the Proposer (or designated third party) plans to employ to track, record, and monitor energy-related impacts, greenhouse gas emissions reductions delivered, customers served, climate adaptation and resiliency and clean energy measures supported.

C.2.C Eligible Expenditures

New York State is offering funding for certain types of tangible assets required for the development of infrastructure to support the offshore wind industry. Expenses eligible for funding (together "Eligible Expenses") must be critical for the Investment Plan, be for areas located within the Site, and should align with any of the below categories:

1. Planning, architectural, and engineering design;
2. Sustainable design including LEED certification;
3. Site environmental assessment, remediation, and permitting;
4. Demolition of existing structures or the clearing of site debris or vegetation;
5. Removal of existing concrete, asphalt, or other surfaces;
6. Removal, handling, treatment, and disposal of dredged material;
7. Construction and/or rehabilitation of sub-surface structures and/or subgrade modifications to increase bearing capacity;
8. Construction and/or rehabilitation of shoreline protection structures (e.g., revetment);
9. Construction and/or rehabilitation of wharf structures intended for the loading of components on and off transport vessels;
10. Grading of surfaces, including excavation, fill, hauling, and placement; or
11. Finishing of surfaces, including the purchase and installation of surface material;
12. Reinvestment, conversion, and rehabilitation of existing manufacturing facilities at the investment site for use in the offshore wind supply chain;
13. New Building construction and/or rehabilitation of existing building structures;
14. Manufacturing equipment;
15. Establishing institutional or industrial capacity building and training to operate and scale the investment site;
16. Construction and/or rehabilitation of surrounding transportation routes that make the site accessible to delivery and dispatch of equipment, materials, or manufactured components;

New York State Funding will generally not be offered for other expenses (“Non-Eligible Expenses”), including but not limited to historic expenses for work already performed, financing costs, land acquisition costs, wetland mitigation, due diligence costs, legal costs, and operational costs.

C.2.D Investment Plan Evaluation

The Investment Plan and the relevant components of the Offer Data Form will be the basis of evaluation of the facility. Each Investment Plan will be initially evaluated on a stand-alone basis, that is, independent from components of the Proposal that are not directly related to an Investment Plan. Evaluation of each Investment Plan will result in a determination of “investment worthy” or “not investment worthy”, where the determination of an Investment Plan as “not investment worthy” would eliminate any Proposal that includes that Investment Plan from consideration for award under this RFP. Any Proposal for which all included Investment Plans are determined to be “investment worthy” will remain eligible for award consideration under this RFP.

Investment Plans will be evaluated by NYSERDA. To be deemed “investment worthy,” an Investment Plan must, at a minimum, be matched by at least \$3.00-for-\$1.00 (\$3.00 of private capital² for every \$1.00 of New York State Funding).

Beyond the above minimum criteria, Investment Plans will be evaluated using the Evaluation Criteria set out below. The content of the Investment Plan should fully address these criteria, where applicable.

C.2.D.1 Cost Benefit Analysis

This Investment Plan Evaluation Criterion considers the risk-adjusted financial and economic costs and benefits of the Investment Plan for New York State.

The financial and economic costs for New York State include the Proposer’s requested amount of New York State Funding, as identified in the Offer Data Form.

1. The financial and economic benefits for New York State include:
 1. The risk-adjusted job creation and macroeconomic impacts that the Investment Plan is expected to have on New York State’s economy, consistent with the definitions of such benefits and commitments to minimum and target metrics as described in Section C.2.C.7; and
 2. The level of financial commitment of the Proposer and any other involved third parties, not including any other financial incentives offered by New York State.

To evaluate the risks associated with the above financial and economic benefits, New York State will consider the below factors:

1. Creditworthiness (*e.g.*, counterparties, underlying technologies, EPC provider(s), revenue certainty, *etc.*) of the requested investment from New York State, with particular focus on the identified Funding Recipient;
2. Cost of New York State funding on a risk-adjusted basis, referencing the terms requested by the Proposer in the Offer Data Form; and
3. Terms and conditions established under any Investment Plan-related agreements executed at the time of the Proposal.

C.2.D.2 Investment Plan Viability

This Investment Plan Evaluation Criterion considers several factors that together demonstrate the likelihood of a site to be in service at a time in agreement with the Investment Plan Schedule identified in the Offer Data Form. Successful Investment Plans will demonstrate the ability to reach commercial operation in a timeline that will allow the Investment Plan to support the near-term offshore wind industry, demonstrate the maturity of the Investment Plan’s development plans, the feasibility of the Investment Plan’s technical and logistical plans, and the experience, expertise, and financial resources of the Proposer.

² Funding provided by New York State, the Federal government or other public sources does not constitute “private capital” for this purpose.

Investment Plans will be evaluated with a focus on the following key categories:

1. Proposed Investment Plan development and construction schedule and risk, with a preference for those plans that can demonstrate the ability to serve the offshore wind industry from 2025 and beyond;
2. Financing plan, current financing status, and demonstration of creditworthiness to support financing plan;
3. Revenue contracts and any uncontracted revenue streams;
4. Demonstration of Site control;
5. Permitting plan and current permitting status for federal, state, and local requirements;
6. Identification of environmental issues/concerns and a description of how they are being addressed;
7. Relevant experience of the Proposer;
8. Technology risk associated with the Proposed Site Activity and Proposed Site Investment; and
9. Community and stakeholder outreach and support, and corresponding commitments in the Stakeholder Engagement Plan.

A description of the Investment Plan's permitting plan and current permitting status will be weighed particularly carefully by New York State. Proposers are strongly encouraged to meet with the New York State Department of Environmental Conservation and the New York Department of State regarding their Investment Plan(s) prior to Proposal submission.

C.2.D.3 Market Compatibility

This Investment Plan Evaluation Criterion considers the ability of the Investment Plan to serve the New York State, eastern seaboard and global offshore wind industry in a manner consistent with the Proposed Site Activity in both the near-term and long-term. Investment Plans will be evaluated with a focus on the following key areas:

1. The offshore wind industry's demand for the Investment Plan and the associated Proposed Site Activity, in consideration of other regional facilities that could offer similar uses;
2. The expected time of construction completion, recognizing that Investment Plan that are operational earlier may have more direct access to the offshore wind supply chain;
3. The ability of the Investment Plan and the associated Proposed Site Activity to support future generations of offshore wind development, recognizing possible growth in the scale of technology and its supporting infrastructure and through the reinvestment, conversion and rehabilitation of existing facilities for offshore wind supply chain purposes; and
4. Any physical barriers restricting the ability of the Investment Plan to support the Proposed Site Activity.

C.2.D.4 Alignment with Climate Act Objectives

This Investment Plan Evaluation Criterion considers aspects of the Plan that support the core objective of New York State's Climate Act. The Climate Act is one of the most aggressive pieces of climate legislation in the United States, combatting the adverse impacts of climate change on economic well-

being, public health, natural resources, and the environment of New York. Investment Plans will be evaluated with a focus on the following key areas:

1. The Investment Plan's ability to reduce the costs to New York State ratepayers associated with the procurement of electricity from offshore wind generation projects;
2. The Investment Plan's ability and plans to provide clean energy transition job opportunities for New York residents who may lose employment in the current transition to a green economy;
3. The Investment Plan's ability and plans to provide economic opportunities or other benefits to Disadvantaged Communities, such as those included by low-income census tracts, Potential Environmental Justice Areas, and New York Opportunity Zones (refer to ORECRFP22-1 Section 3.2.8 and Service-Disabled Veteran Owned Businesses and Minority and Women Owned Businesses Enterprises); and
4. Efforts taken by the Investment Plan to use creative solutions to minimize imbedded carbon, carbon emissions, criteria pollutant emissions, wastewater discharge and other environmental risks and impacts from the Investment Plan.

This Plan Evaluation Criterion will also consider the magnitude of estimated clean energy generation that is expected to be enabled as a result of the Investment Plan. In addition, New York State will evaluate the strength of the plan pursuant to which the Proposer (or designated third party) will track and record performance data on an ongoing basis and report that information to New York State (at a minimum within 30 days after the end of every quarter), in all cases for at least the term of any New York State Funding.

C.2.D.5 Pricing Structure and Commitments

Investment Plans must demonstrate that the goods and/or services provided by the proposed facility(ies) can be made available at competitively pricing such that they provide incremental economic value to the offshore wind industry and particularly to offshore wind developments in New York State. Accordingly, Investment Plans should include a description of how the goods and/or services proposed to be provided will be priced and made available to the market, why this commercial structure is expected to be attractive to the market, and what commitments the facility developer is willing to make to ensure that the costs of the good/service remain attractive and beneficial to the offshore wind industry. Funding Recipients for Investment Plans that offer goods and/or services that are less subject to natural competitive pressure (for example, port facilities that may offer a unique service due to their location) may be required to make contractual commitments to NYSERDA with respect to maintenance of open access and reasonable pricing on an ongoing basis and should include in the Investment Plan any such proposed commitments.

C.2.E SEQRA

The Funding Recipient will be required to take commercially reasonable measures to facilitate, cooperate with, and otherwise provide information for any environmental review of the Investment Plan overseen by an authorized governmental entity or entities pursuant to the New York State Environmental Quality Review Act ("SEQRA"). NYSERDA will provide a prompt notice of the issuance of a

final findings statement under SEQRA to the Funding Recipient. Any award of state funding for any Investment Plan will not be determined or committed before NYSERDA, in its sole discretion, makes findings pursuant to SEQRA with regard to the Investment Plan. If such findings do not allow for the Investment Plan to proceed as contemplated, the Proposer and the Funding Recipient will be expected to enter into good faith negotiations with NYSERDA to modify or replace the Investment Plan.