



**NYSERDA**

**Purchase of Offshore Wind Renewable Energy  
Certificates  
Request for Proposals ORECRFP22-1  
Release Date: TBD**

The New York State Energy Research and Development Authority (NYSERDA) seeks to procure Offshore Wind Renewable Energy Certificates (ORECs)<sup>1</sup> as authorized by the New York State Public Service Commission's [Order Establishing Offshore Wind Standard and Framework for Phase 1 Procurement](#), issued on July 12, 2018, [Order Adopting Modifications to the Clean Energy Standard](#) issued on October 15, 2020 in Case No. 15-E-0302, and most recently in the [Order on Power Grid Study Recommendations](#) issued on January 20, 2022 in Case Nos. 20-E-0197, 18-E-0071, and 15-E-0302. All Proposers are advised to review the Orders and their Appendices before participating in this Request for Proposals (RFP).

All relevant documents pertaining to this RFP are available on NYSERDA's solicitation website at <https://www.nyserdanyny.gov/offshore-wind-2022-solicitation>. Proposers are advised to check this website regularly for updates.

Questions about this RFP should be directed to Laila El-Ashmawy, Thomas King, Gregory Lampman, Carl Mas, Georges Sassine, Alex Stein and/or Doreen Harris (the Designated Contacts) at [offshorewind@nyserdanyny.gov](mailto:offshorewind@nyserdanyny.gov). No communication intended to influence this procurement is permitted except by contacting the Designated Contacts.

**NOTICE:** *This draft ORECRFP22-1 is being issued by NYSERDA in order to allow review and comment by interested parties prior to the issuance of a formal Request for Proposals (RFP). Comments are due by Friday, April 8, 2022 at 3 p.m. ET, and should be sent to NYSERDA-OSW@levitan.com with the subject line "Draft ORECRFP22-1 Comments", or may be provided by filling out a [comment form](#). NYSERDA does not intend to make comments public. If NYSERDA receives a request from a third party for comments received that have been marked "Confidential" or "Proprietary," NYSERDA will process such request under the procedures provided by NYSERDA's FOIL regulations (email [foil@nyserdanyny.gov](mailto:foil@nyserdanyny.gov) for additional information). See Section 8.1.*

*Please note that all content in this DRAFT RFP and its attachments, appendices and exhibits is subject to revision. The content provided herein is subject to deletion or modification based on comments submitted by prospective Proposers, other entities or persons electing to respond to this DRAFT RFP, or for any other reason. Proposers should review the final RFP before preparing a Proposal. Requests for a meeting with NYSERDA to discuss the offshore wind solicitation should be sent to [offshorewind@nyserdanyny.gov](mailto:offshorewind@nyserdanyny.gov).*

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<sup>1</sup> Please note that while the Orders use the generic term "credits," the term "certificates" is used here, as successful Proposers will be required to participate in NYGATS, and NYGATS uses the term "certificates." NYGATS Certificates are minted on a one per MWh basis. Each NYGATS OREC Certificate will include a unique serial number.

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## ACRONYMS AND DEFINITIONS

**Actual Production** – The amount of electric energy production from the Project, in MWh delivered to the Injection Point, for which NYSDA is obligated to purchase the associated ORECs under Article II of the Agreement.

**Agreement** – Offshore Wind Renewable Energy Certificate Standard Form Purchase and Sale Agreement.

**Alternate Proposal** – A Proposal defined in Section 2.1.3.

**Annual OREC Cap** – The amount of ORECs equal to the product of 1.15 and the P10 Annual OREC Exceedance.

**Applicable OREC Price Method** – The method employed by NYSDA in each month for determining the Monthly OREC Price as determined in Section 4.01 of the Agreement.

**Award Notification Date** – The date upon which NYSDA provides written confirmation to a Proposer indicating that a Proposal has been selected for contract negotiations.

**Benchmark LNOC** – The confidential maximum price levels for the Fixed OREC and Index OREC offers that NYSDA will employ in its determination of potential OREC award(s).

**BOEM** – The Bureau of Ocean Energy Management within the U.S. Department of the Interior.

**CES** – Clean Energy Standard.

**Climate Act** – [Climate Leadership and Community Protection Act](#).

**Commercial Operation** – A state of operational readiness under which (i) generating capacity is available and physically producing electric energy and associated ORECs, and (ii) all rights, abilities, permits and approvals to schedule and deliver energy to the Delivery Point have been obtained.

**Commercial Operation Date** – The date upon which the Project or a phase of the Project enters Commercial Operation.

**Contract Delivery Term** – The period of performance under the Agreement. The Contract Delivery Term for each Project phase will commence on the first day of the month after any portion of the Project phase commences Commercial Operation and end at the earlier of (i) the date upon which the Contract Tenor has elapsed, or (ii) the Outer Limit Date.

**Contract Tenor** – The maximum duration of the Contract Delivery Term. The Contract Tenor shall be stated in years.

**Contract Year** – A 12-month period commencing with the beginning of the Contract Delivery Term and each anniversary thereof during the Contract Delivery Term. The phrase “Contract Year” followed by a number shall refer to a discrete Contract Year within the Contract Delivery Term such that “Contract

Year 1” refers to the first 12-month period commencing with the beginning of the Contract Delivery Term, “Contract Year 2” refers to the second such 12-month period, and so on.

**Delivery Point** – For Projects that inject energy directly into the New York Control Area, the generator bus or location where (a) the administrator of the wholesale power market, or (b) the operator of the transmission/distribution utility, public authority or municipal electric company, measures, or otherwise determines, energy production from the Project. For Projects that inject energy outside of the New York Control Area, the generator bus or location where the NYISO measures energy delivery from the Project into the New York Control Area.

**Disadvantaged Communities** – The Climate Act directs [the Climate Justice Working Group](#) (CJWG) to establish criteria for identifying disadvantaged communities. On March 9, 2022, [a draft set of disadvantaged communities criteria established by the CJWG was released for public input](#). The disadvantaged communities criteria is expected to be finalized in Fall 2022; until then, New York State has specified interim criteria for disadvantaged communities, which includes two types of communities, those: (i) located within census block groups that meet the U.S. Housing and Urban Development (HUD) 50% area median income (AMI) threshold of the top quartile of census block groups in New York, ranked by the percentage of low and moderate income (LMI) households, defined as households with annual incomes at or below 50% of the AMI of the county or metro area where the census block group resides, that are also located within the [DEC Potential Environmental Justice Areas](#); or (ii) located within [New York State Opportunity Zones](#). See <https://www.nyserda.ny.gov/ny/disadvantaged-communities> for more information including updates and links to GIS maps. Projects proposed prior to the finalization of the disadvantaged communities criteria shall reference the interim criteria when considering impacts for disadvantaged communities. NYSERDA will provide updates on the status of the disadvantaged communities criteria, including when the final disadvantaged communities criteria will be adopted.

**Economic Benefits Plan** – A plan submitted as part of a specific Proposal, inclusive of an associated Investment Plan, as further described in Appendix C.1.

**Economic Benefits Report** – An independently audited report, documenting the total dollar amount of actual Incremental Economic Benefits accrued to New York and associated activities and commitments undertaken from the Award Notification Date through the end of the first three (3) years of the Contract Delivery Term (See Appendix C.1).

**Eligible Investment Sites** – Ports, manufacturing, or other supply chain facilities that are fully located in New York State and host any activity or combination of activities supporting offshore wind project development. Eligible Investment Sites may be existing facilities requiring reinvestment or rehabilitation, or new facilities in New York State.

**Environmental Attributes** – All environmental characteristics, claims, credits, benefits, emissions reductions, offsets, allowances, allocations, howsoever characterized, denominated, measured or entitled, attributable to the generation of Actual Eligible Production by a Project, consistent with the delineation of attributes set forth in the Agreement.

**Energy Storage** – A commercially available resource capable of receiving electric energy and storing that energy or a portion of that energy for later discharge, regardless of where that resource is located within NYISO Zones J and K. The storage facility need not be co-located with the Offshore Wind Generation Facility’s Delivery Point nor exclusively be charged by energy from the Offshore Wind Generation Facility. However, discharged energy only generates ORECs, and is only able to receive OREC payments, if the charging energy is directly from the Project. The Energy Storage must be constructed and operated in accordance with Article VI, Article VII, and Article IX of the [NYSERDA Bulk Storage Incentive Program Manual](#).

**Expected Labor Dollars** – The Expected Total Dollars associated with labor expenditures described in the New York Jobs and Workforce Plan.

**Expected MWBE and SDVOB Dollars** – The Expected Total Dollars expected to accrue specifically to MWBEs and SDVOBs.

**Expected Total Dollars** – The total dollar amount of Incremental Economic Benefits in Categories 1 and 2 as presented in the Proposal and accepted by NYSERDA, expected to accrue to New York State as a result of the development, construction, modification, interconnection, and operation of the Project, optional Energy Storage and associated Investment Plans from the Award Notification Date through the end of the first three (3) Contract Years.

**Expected U.S. Iron and Steel Dollars** – The Expected Total Dollars associated with expenditures for U.S. iron and steel.

**Fixed OREC Price** – A fixed, as-offered price in dollars per OREC as described in Section 4.02 of the Agreement.

**FOIL** – New York’s Freedom of Information Law, Public Officers’ Law Article 6.

**Fossil Repurposing Proposals** – Proposals that propose to repurpose existing downstate fossil-based electric generation infrastructure as further described in Section 2.1.7.

**Funding Recipient** – The Funding Recipient is the entity that receives New York State Funding, will be responsible for execution of the Investment Plan and will be evaluated for creditworthiness, as described in the Investment Plan Evaluation Section of Appendix C.2. The Funding Recipient should be the entity that will actually be responsible for execution of the Investment Plan, whether that is the Proposer itself, the entity that owns or operates the Eligible Investment Site, a manufacturer that utilizes the Eligible Investment Site or another entity.

**Index OREC Price** – An adjustable price in dollars per OREC that nets a fixed, as-offered strike price monthly against a reference price expressed in a market index as determined by NYSERDA pursuant to Section 4.03 of the Agreement.

**Incremental Economic Benefits** – Those financial expenditures benefiting New York State within the categories specified in Appendix C.1 that a Proposer can demonstrate: (1) accrue after the Award Notification Date; (2) would not have accrued but for the award of a contract under this current RFP; (3)

do not represent any economic benefits accrued pursuant to an award under any prior New York State RFP, including for the avoidance of doubt, any Contingent Economic Benefits (such term as defined in ORECRFP18-1); and (4) do not include any New York State Funding. Incremental Economic Benefits associated with Investment Plans shall be calculated as set forth in Appendix C.1.

**Injection Point** – For Projects that interconnect directly into the NYCA, the Injection Point is the Delivery Point. For Projects that interconnect outside of the NYCA, the Injection Point shall be the generator bus or the location where the administrator of the local Control Area measures energy delivery from the Project into the local market.

**Interconnection Cost Sharing** – A modification to the price structure that allows for the costs associated with a Project’s NYISO interconnection to be shared through an adjustment in pricing, as further described in Sections 2.1.3, 4.1 and 4.3.

**Investment Minimum Thresholds** – Minimum criteria that must be met for an Investment Plan to be determined to be “investment worthy”, as outlined in Appendix C.2.

**Investment Plan** – A plan submitted as part of the Proposal in support of the Economic Benefits Plan, as further described in Appendix C.2. An Investment Plan may cover port, manufacturing, or supply chain infrastructure that hosts any activity or combination of activities supporting offshore wind project development.

**Investment Plan Related Purchase** – Any purchase of goods or services from an Investment Plan Supply Chain Facility.

**Investment Plan Supply Chain Facility** – The port, manufacturing, or supply chain infrastructure proposed in a Proposal’s Investment Plan.

**Investment Scoring Committee** – Members of NYSERDA Staff, Empire State Development Staff, NY Green Bank Staff, and Technical Experts responsible for reviewing Investment Plans included with Proposals received through this RFP.

**Labor Peace Agreement (LPA)** – An agreement between the owner of the Offshore Wind Generation Facility and a bona fide labor organization that, at a minimum, protects the State’s proprietary interests by prohibiting labor organizations and their members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the Offshore Wind Generation Facility in accordance with Public Service Law § 66-r (3).

**Levelized Net OREC Cost (LNOC)** – A means of comparing Proposals with different pricing structures, OREC quantity schedules, Commercial Operation Dates, and Contract Tenors, as described in Section 4.3.

**Long-Term Jobs** – Jobs lasting three or more years.

**LSE** – Load-serving entity.

**Major Supplier** – A supplier of goods and services to Proposer with an anticipated contract value of \$1 million or greater for MWBE and SDVOB and \$2 million or greater for New York Offshore Wind Supply Chain Database.

**Meshed Network** – Offshore transmission configuration in which individual Offshore Wind Generation Facility substations are linked to one-another via HVAC lines, as defined in New York State Power Grid Study and in Appendix G of this RFP.

**Meshed Ready** – An Offshore Wind Generation Facility radially connected to the New York electric grid is considered Meshed Ready if it satisfies the requirements set forth in Appendix G of this RFP, including control, interface, performance, functional and physical requirements.

**Monthly OREC Price** – A price in dollars per OREC determined by NYSERDA for each month of the Contract Delivery Term. If the Applicable OREC Price Method is the Fixed OREC Price, the Monthly OREC Price shall be calculated pursuant to Section 4.02 of the Agreement. If the Applicable OREC Price Method is the Index OREC Price, the Monthly OREC Price shall be calculated pursuant to Section 4.03 of the Agreement.

**MWBE** – Minority and/or Women-Owned Businesses, such term is as defined under New York State Law. New York State Certified MWBEs are searchable in the [MWBE Certified Database maintained by Empire State Development \(ESD\)](#).

**New York Control Area (NYCA)** – The geographic bounds of the electricity system that is under the control of the NYISO, which includes transmission facilities listed in the ISO/Transmission Owner Agreement Appendices A-1 and A-2, as may be amended from time to time.

**New York Generation Attribute Tracking System (NYGATS)** – The tracking system that records electricity generation attribute information within New York State, and processes generation attribute information from energy imported and consumed within New York State, as a basis for creating generation attribute certificates, including ORECs. NYGATS will create exactly one OREC per MWh of generation attributable to the Project and delivered to the Delivery Point.

**New York State Funding** – Up to \$300 million (subject to legislative approval of the proposed FY 2023 Executive Budget) of public grant funding for Eligible Expenses associated with Investment Plans, available for draws as critical Investment Plan milestones are met.

**NY Green Bank Financing** – Competitively-priced, market-based debt financing issued by the NY Green Bank. 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. More information on NY Green Bank can be found at <https://www.greenbank.ny.gov>.

**NYISO Capacity Market** – Collectively, the wholesale markets for capacity administered by NYISO.

**NYISO Energy Market** – Collectively, the wholesale markets for electric energy administered by NYISO.

**NYSERDA Consultants** – Consultants engaged by NYSERDA to assist with the evaluation of Proposals.

**Offer Capacity** – The electric generating capacity of the Project, measured as the installed (nameplate) capacity in alternating current at the Offshore Wind Generation Facility.

**Offshore Wind Generation Facility** – The installed wind turbine generators and all other associated offshore equipment and infrastructure located within the BOEM lease area.

**Offshore Wind Orders** – The New York Public Service Commission’s [Order Establishing Offshore Wind Standard and Framework for Phase 1 Procurement](#), issued and effective on July 12, 2018, the [Order Authorizing Offshore Wind Solicitation in 2020](#) issued on April 23, 2020 in Case No. 18-E-0071, the [Order Adopting Modifications to the Clean Energy Standard](#) issued on October 15, 2020 in Case No. 15-E-0302, and the Order on Power Grid Study [Recommendations](#) issued on January 20, 2022 in Case No. 20-E-0197, Case No. 18-E-0071 and Case No. 15-E-0302.

**Offshore Wind Renewable Energy Certificate (OREC)** – The electronic record of generation data created by NYGATS and representing all of the attributes, including all Environmental Attributes, of one MWh of electric generation from an Offshore Wind Generation Facility delivered into the New York Control Area and registered with the NYGATS tracking system. The attributes represented in each OREC include all environmental characteristics, claims, credits, benefits, emissions reductions, offsets, allowances, allocations, howsoever characterized, denominated, measured or entitled, attributable to the generation of Actual Eligible Production by a Project, including but not limited to: (i) any direct emissions or any avoided emissions of pollutants to the air, soil or water including but not limited to sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), particulate matter and other pollutants; (ii) any direct or avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and other greenhouse gases (GHGs) that have been or may be determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (iii) all set-aside allowances and/or allocations from emissions trading programs made unnecessary for compliance in such program as a result of performance under the Agreement, including but not limited to allocations available under 6 NYCRR §§ 204, 237 and 238; and (iv) all credits, certificates, registrations, recordations, or other memorializations of whatever type or sort, representing any of the above.

**Operational Installed Capacity** – The gross generating capacity, in MW, of the Selected Project that has achieved Commercial Operation and for which an Independent Engineer’s report has been submitted to NYSERDA pursuant to Section 2.01(c) of the Agreement.

**Outer Limit Date** – A backstop date upon which the Contract Delivery Term ends regardless of whether the full Contract Tenor has elapsed. If the Contract Tenor is 20 years, the Outer Limit Date is January 1, 2051. If the Contract Tenor is 25 years, the Outer Limit Date is January 1, 2056.

**P10 Annual OREC Exceedance** – An amount of electrical energy (in MWh), such that the estimated probability in any given year that generation from the Project delivered to the Delivery Point would exceed that amount is 10 percent.

**Primary Component** – The main parts of an offshore wind turbine structure, including the foundation, substructure, transition piece, nacelle and rotor blades.

**Project** – An Offshore Wind Generation Facility and the associated equipment, infrastructure, and support facilities necessary to construct, operate and deliver energy to the designated Delivery Point and the corresponding ORECs to an account designated by NYSDA in the NYGATS, excluding facilities and infrastructure associated with an Investment Plan.

**Project Team** – Proposer personnel and contractors who have primary responsibility for Project development.

**Proposal** – An offer to sell ORECs from up to two Offshore Wind Generation Facilities for a given Offer Capacity, Index REC or Fixed REC pricing structure, Delivery Point, associated Economic Benefit Plan and Investment Plan, optional Energy Storage, and optional Fossil Repurposing Proposal that conforms to the requirements of this RFP. A Proposal may contain either or both 25- and 20-year Contract Tenors, each with an associated level nominal Strike Price (for Index OREC offers) or Price (for Fixed OREC offers), with the exception of the Required Base Proposal and Required Standalone Proposal, which must include a 25-year Contract Tenor.

**Proposer** – The business entity that submits a Proposal in response to this RFP.

**Qualifying Federal Support** – Any direct federal financial support in the form of tax credits or grants, or direct financial benefits expressly intended to incentivize the development of projects such as newly constructed offshore wind generation facilities (i) for which the Project qualifies, and (ii) which arises from an act of the U.S. Congress after the Proposal due date (TBD). Qualifying Federal Support shall not include ordinary course tax deductions, federal loans, federal loan guarantees, or federal research and development grants that are awarded competitively based on the use of advanced technology.

**Reference Capacity Price** – An index of NYISO Capacity Market prices as set forth in Section 4.03 of the Agreement.

**Reference Energy Price** – An index of zonal NYISO Energy Market prices as set forth in in Section 4.03 of the Agreement.

**Required Base Proposal** – A Proposal defined in Section 2.1.3.

**Required Standalone Proposal** – A Proposal defined in Section 2.1.3.

**Scoring Committee** – Members of NYSDA Staff, New York State Department of Public Service Staff, and competitively-selected Independent Evaluators responsible for evaluating Proposals received through this RFP.

**SDVOB** – Service-Disabled Veteran Owned Businesses as defined under the Service-Disabled Veteran-Owned Business Act of New York State. New York State Certified SDVOBs are searchable in [Directory of](#)

[New York State Certified Service-Disabled Veteran Owned Business \(SDVOB\)](#) maintained by the Office of General Services (OGS).

**Seller** – A Proposer selected by NYSERDA who has executed an Agreement to sell ORECs to NYSERDA pursuant to this RFP.

**Short-Term Jobs** – Jobs lasting less than three years.

**Submission** – Package of all files submitted by a developer in response to this RFP.

**TWG** – Technical Working Group.

**Verified Labor Dollars** – The Verified Total Dollars associated with labor expenditures described in the New York Jobs and Workforce Plan.

**Verified MWBE and SDVOB Dollars** – The Verified Total Dollars that accrue specifically to MWBEs and SDVOBs.

**Verified Total Dollars** – The total dollar amount of Incremental Economic Benefits in Categories 1 and 2 verified by NYSERDA to have accrued to New York as a result of the development, construction, modification, interconnection, and operation of the Project, optional Energy Storage and associated Investment Plans from the Award Notification Date through the end of the first three (3) Contract Years.

**Verified U.S. Iron and Steel Dollars** – The Verified Total Dollars associated with U.S. iron and steel expenditures.

# 1 INTRODUCTION

## 1.1 New York's Clean Energy Standard and Offshore Wind Standard

Since adopting some of the most ambitious clean energy goals in the nation- reducing greenhouse gas emissions by 85% by 2050, 100% emissions free electricity generation by 2040, and net-zero emissions economy wide by 2050- New York State has been assiduously expanding its offshore wind portfolio. Currently, New York State has the largest offshore wind goal to install 9,000 MW by 2035 and a contracted pipeline of five offshore wind projects totaling over 4,300 MW and five ports in active development. NYSERDA demonstrates unparalleled demand for clean energy and growing momentum in establishing major ecosystems for workforce development, manufacturing, and operations and maintenance to support the region's growing pipeline of offshore wind projects and the development of a green economy. Through its competitive solicitations, NYSERDA is building a portfolio guided by principles of just energy transition and equity set forth in the Clean Energy Standard (CES) and Climate Leadership and Community Protection Act (Climate Act).

New York's efforts are reinforced at the federal level, where President Biden's administration has set goals of deploying 30 GW of offshore wind in the United States by 2030 and 110 GW by 2050. In support of these historic targets, on October 13, 2021, Department of the Interior Secretary Haaland announced plans for the Bureau of Ocean Energy Management (BOEM) to potentially hold up to seven new offshore lease sales by 2025. The first of these lease auctions occurred on February 23, 2022, for six lease areas in the New York Bight with roughly 7,000 MW of resource potential. On February 25, 2022, BOEM announced results of the auction, with the six winning bids totaling \$4.37 billion.<sup>2</sup>

On August 1, 2016, the Commission issued its [Order Adopting a Clean Energy Standard](#) (CES), which, based upon the recommendation and comments in a White Paper filed by NYSERDA and Department of Public Service Staff (Staff), established the 50% renewables by 2030 goal. The CES also requested that NYSERDA develop a "blueprint," identifying the appropriate mechanisms for the Commission and the State to consider in order to maximize the potential of the burgeoning offshore wind industry.

In January 2018, NYSERDA published the [New York State Offshore Wind Master Plan](#) (Master Plan), which included more than 20 studies that gathered data on environmental, social, economic, regulatory, and infrastructure issues relevant to offshore wind energy development, and reflected the State's extensive outreach efforts with interested agencies, entities, communities, and individuals in the responsible and cost-effective development of offshore wind.

NYSERDA also filed an [Offshore Wind Policy Options Paper](#) in January 2018 that launched the regulatory proceedings that culminated in the Commission's issuance of the [Phase 1 Order](#) on July 12, 2018. In the Phase 1 Order, the Commission adopted the goal of procuring 2,400 MW of offshore wind capacity by

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<sup>2</sup> <https://www.doi.gov/pressreleases/biden-harris-administration-sets-offshore-energy-records-437-billion-winning-bids-wind>

2030. NYSDERDA launched its inaugural solicitation for offshore wind ([ORECRFP18-1](#)) on November 8, 2018.

In July 2019, the [Climate Leadership and Community Protection Act](#) (Climate Act) was signed into law. The Climate Act mandates the Green New Deal's nation-leading clean energy targets: 9 GW of offshore wind by 2035, 6 GW of distributed solar by 2025, and 3 GW of energy storage by 2030. Beyond resource targets, the Climate Act calls for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy. The Climate Act also directs New York State agencies and authorities to collaborate with stakeholders to develop a plan to reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050 and aim to invest at least 35 percent of clean energy and energy efficiency program resources to benefit Disadvantaged Communities, achieving 70 percent renewable energy by 2030 and 100 percent renewable energy by 2040. To this effect, the law created the Climate Action Council, charged with developing a scoping plan of recommendations to meet these targets and place New York on a path toward carbon neutrality.

Simultaneously with enshrining the Climate Act, New York State [announced](#) the single largest renewable energy procurement by any state in U.S. history—nearly 1,700 MW—with the selection of two offshore wind projects for contract awards resulting from NYSDERDA's Phase 1 offshore wind solicitation. On October 23, 2019, NYSDERDA finalized contracts with Equinor Wind US LLC for its 816 MW Empire Wind Project and Sunrise Wind LLC (a joint venture of Ørsted A/S and Eversource Energy) for its 880 MW Sunrise Wind Project. NYSDERDA filed its comprehensive report, [“Launching New York's Offshore Wind Industry: Phase 1 Report,”](#) (Phase 1 Report) with the Commission on that same date.

On April 2, 2020, the Accelerated Renewables Act was signed into law, and made major changes in the forum and permitting process for large-scale renewable projects and called for the State to develop a State Power Grid and Study Program to accelerate the planning and build out of bulk and local transmission and distribution infrastructure to ensure that renewable energy can be reliably and cost-effectively delivered to power New York homes and businesses. On April 23, 2020, the New York Public Service Commission published an Order Authorizing Offshore Wind Solicitation in 2020 which instructed NYSDERDA to procure at least 1,000 MW of additional offshore wind capacity. NYSDERDA launched its second offshore wind solicitation (ORECRFP20-1) on July 21, 2020, to procure up to 2,500 MW of offshore wind and included a complementary multi-port infrastructure investment backed by \$200 million in New York State funding which ultimately unlocked more than \$644 million in public and private dollars for port infrastructure—the largest infrastructure commitment to offshore wind in the nation.

On October 15, 2020, the Commission issued its [Order Adopting Modifications to the Clean Energy Standard](#) (CES Modification Order) in Case 15-E-0302. In the CES Modification Order, the Commission adopted several modifications to the CES to align it with the Climate Act mandates. Modifications affecting the Offshore Wind solicitations included authorizing NYSDERDA to issue future solicitations at its strategic discretion of timing and capacities.

In January 2022, NYSERDA finalized [contracts](#) with Empire Offshore Wind LLC and Beacon Wind LLC for the development of Empire Wind 2 (1,260 MW) and Beacon Wind (1,230 MW), selected through NYSERDA's second offshore wind solicitation. Upon completion, the two offshore wind farms will yield a combined 2,490 MW of carbon-free energy, bring another \$8.9 billion in investment, and create more than 5,200 jobs. The contract includes significant work to build resilient port facilities to support the industry in the state's Capital Region and Brooklyn. These investments will establish the nation's first offshore wind tower manufacturing facility to serve both offshore and onshore wind farms in the region at the Port of Albany and a cutting-edge staging facility and operations and maintenance hub at the South Brooklyn Marine Terminal.

An Initial [Report of the Power Grid Study](#) was published by the New York State DPS on January 19, 2021. The study sought to identify distribution upgrades, local transmission upgrades, and bulk transmission investments necessary or appropriate for the power grid for the State of New York to achieve the state's 70 by 30 goals and beyond. Proposers are strongly encouraged to familiarize themselves with the Power Grid Study, including the "Offshore Wind Integration Study" (OSW Study) identifying possible grid interconnection points and offshore transmission configurations and assessing onshore bulk transmission needs relating to the integration of at least 9,000 MW of offshore-wind generation.

On January 5, 2022, New York Governor Kathy Hochul announced in her first State of the State Address a nation-leading \$500 million (subject to legislative approval of the proposed FY 2023 Executive Budget) investment proposal<sup>3</sup> for offshore wind ports, manufacturing, and supply chain infrastructure with continued prioritization of benefits to Disadvantaged Communities, close relations with New York's labor force, and enabling a local supply chain that will cement New York as an offshore wind hub for the region. This funding amplifies New York's 2020 offshore wind solicitation which included \$200 million in New York State funding.

On December 20, 2021, the Climate Action Council [voted](#) to release the draft scoping plan for a 120-day public comment period, which began on January 1, 2022. The public comment period will support the Council in development and release of a final scoping plan by the end of 2022. The draft scoping plan noted that approximately 20 GW of offshore wind may be necessary to achieve the Climate Act's greenhouse gas emissions limits and carbon neutrality goals. In line with this guidance and under Governor Hochul's leadership, the Offshore Wind Master Plan 2.0 will be initiated in 2022 to explore unlocking floating offshore wind resources for New York State.

On January 20<sup>th</sup> 2022, the New York Public Service Commission published the [Order on Power Grid Study Recommendations](#) (Power Grid Study Order) in Case Nos. 20-E-0197, 18-E-0071, and 15-E-0302, instructing NYSERDA to procure HVDC technology for radial connections, prioritize grid benefits and advanced technologies in project evaluation, and include a carve out for storage projects to be evaluated under both economic benefits and project viability in future offshore wind procurements. The Order elaborated on the benefits of a meshed offshore grid as presented in the Power Grid Study and

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<sup>3</sup> Note to Draft: This investment proposal is currently subject to legislative approval and once finalized will be updated in the final RFP.

authorized NYSERDA to contemplate procurements that preserve the optionality for a future offshore grid, which may be necessary to reach the zero emissions goals set forth in the Climate Act.

In line with the trajectory of Commission Orders, availability of new BOEM leases, local, state and federal targets, NYSERDA is issuing this third Offshore Wind Renewable Energy Certificate (OREC) solicitation.

## **1.2 Background on NYSERDA**

NYSERDA was created in 1975 by the New York State Legislature as a public authority and public benefit corporation. The Offshore Wind Orders authorize NYSERDA to act as the central administrator of the Offshore Wind Standard program, in a manner similar to NYSERDA's role in solicitations issued under the CES and the former Renewable Portfolio Standard Main Tier.<sup>4</sup>

Pursuant to the Commission Orders regarding offshore wind, NYSERDA will purchase ORECs from the contracted Project(s) on behalf of the jurisdictional and voluntarily-complying Load Serving Entities (LSEs) in New York State within the Public Service Commission's jurisdiction, as well as the non-jurisdictional New York Power Authority and Long Island Power Authority that may opt to use NYSERDA as a purchasing entity, and will then sell the ORECs to the LSEs for compliance with the LSEs' offshore wind obligations. Each LSE will be obligated to purchase a percentage of ORECs acquired by NYSERDA in a year that represents the portion of the electric energy load served by the LSE in relation to the total electric energy load served by all LSEs operating in New York State during that period.

## **1.3 Schedule**

The schedule for ORECRFP22-1 is to be announced at the time of final RFP release (TBD). Notification of any changes to the RFP process or documents will be posted on the [NYSERDA Offshore Wind 2022 Solicitation](#) website.

## **1.4 Notice of Intent to Propose**

Prospective Proposers are encouraged to submit a Notice of Intent to Propose, which is attached as Appendix A to the RFP and will be made available at the time of RFP release.

## **1.5 Proposal Fee**

Each Proposer's Submission must be accompanied by a Proposal Fee which will be used by NYSERDA to offset the cost of the evaluation of Proposals. The base Proposal Fee of \$500,000 will cover the Required Base Proposal and Required Standalone Proposal, as defined in Section 2.1.3, and up to three Investment Plans as defined in Section 2.1.2. Each additional Investment Plan included in the Proposer's submission beyond three will require an additional \$25,000 Proposal Fee. Alternate Proposals, as defined in Section 2.1.3, are permitted. Each Alternate Proposal that has a different Offer Capacity, Delivery Point, Injection Point, technical configuration, pricing structure (such as Interconnection Cost

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<sup>4</sup> Under the CES and former Renewable Portfolio Standard Main Tier, NYSERDA has supported the development of approximately 2,000 MW of operating land-based wind projects; additional renewable capacity of approximately 4,300 MW of land-based wind and solar projects are contracted and under development.

Sharing), and/or expected Commercial Operation Date(s) will require an additional \$25,000 Proposal Fee. Inclusion of a second Contract Tenor in the Required Base Proposal, Required Standalone Proposal, or an Alternate Proposal will be accepted without incurring additional Proposal Fees. Alternate Proposals that differ from another submitted Proposal only due to the inclusion of Energy Storage will be accepted without incurring additional Proposal Fees.

| <b>Submission Component</b>                                                                                                                | <b>Proposal Fee</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Required Base Proposal (including up to three Investment Plans) and Required Standalone Proposal, each including up to two Contract Tenors | \$500,000           |
| Each Alternate Proposal                                                                                                                    | \$25,000            |
| Each additional Investment Plan beyond the three covered above                                                                             | \$25,000            |

The Proposal Fee will automatically be computed within the Master Offers Form. The Proposal Fee and the Contract Security amounts set forth in Article XV of the Agreement are the only fees or monetary obligations of the Proposer.

The Proposal Fee is non-refundable unless NYSERDA cancels this RFP. If this RFP is canceled by NYSERDA, uncommitted Proposal Fees will be returned. **In no other event will any portion of the Proposal Fee be refunded, regardless of whether or not a Proposal(s) is (are) selected by NYSERDA.**

## **1.6 Proposers' Conference and Communications with NYSERDA**

A Proposers' Conference for interested persons will be held via Webinar at a date and time to be announced at the time of final RFP issuance, and will be posted on [NYSERDA's Offshore Wind 2022 Solicitation website](#).

## **1.7 Modification or Cancellation of the RFP and Solicitation Process**

The terms and conditions of this RFP may, at any time, be changed, postponed, withdrawn, and/or canceled, including any requirement, term or condition of this RFP, without any liability to NYSERDA, NYSERDA's Consultants, or members of the Scoring Committee. Any changes to this RFP will be posted on the [NYSERDA Offshore Wind 2022 Solicitation](#) website and an email will be sent to all prospective Proposers who have submitted a Notice of Intent to Propose. Prospective Proposers are encouraged to check the website frequently to be advised of any RFP changes or other news.

## **1.8 Updates to Proposals**

Proposers will not have an opportunity to refresh or restate Proposals after the Deadline for Submission of Proposals unless requested by NYSERDA to do so. If, prior to the Deadline for Submission of Proposals, a Proposer wishes to modify a Proposal that was submitted before the Deadline for Submission of Proposals, Proposer should contact NYSERDA's Designated Contacts. Otherwise, Proposers may provide new information that was not available at the time of their Proposal submission or the Deadline for Submission of Proposals. For example, this may include updates on the status of obtaining permits, interconnection studies, or financing. Unless the information is provided at NYSERDA's request under Section 1.9, these updates are for informational purposes only and will not be

treated by the Scoring Committee as a change or revision to the terms of the Proposal. If there are any material events that affect the validity of the Proposal, Proposers must promptly notify NYSERDA in writing. NYSERDA reserves the right to consider these material changes during Proposal evaluation.

### **1.9 Requests for Additional Information**

Following the submission of Proposals, NYSERDA and the Scoring Committee may request clarification and additional information from Proposers at any time throughout duration of the evaluation process. Such information will be subject to protection of proprietary information as described in Section 8.1, consistent with other Proposal submission materials. Proposers that do not respond promptly to such information requests or do not provide adequate information may be eliminated from further consideration or have the information in their Proposals modified by NYSERDA or the Scoring Committee to allow a reasonable and appropriate evaluation.

NYSERDA also reserves the right to request clarification directly from potential Funding Recipients (including any manufacturers or other proposed end-users of the site) regarding Investment Plans for their facilities as well as interactions among Investment Plans for the same facility submitted by multiple Proposers. To that end, Investment Plans must include contact information for the Funding Recipients (including any manufacturers or other proposed end-users of the site) to accommodate NYSERDA engaging in direct contact.

### **1.10 Interviews with Proposers**

NYSERDA may request in-person and/or videoconference interviews with any Proposer, to be scheduled at a mutually convenient time.

## **2 PROJECT ELIGIBILITY REQUIREMENTS**

### **2.1 Eligibility**

To participate in this RFP, all Proposals must demonstrate compliance with each of the eligibility requirements enumerated in Sections 2.1.1 through 2.1.8.

As used in this RFP, the term “Project” includes the Offshore Wind Generation Facility, along with all associated equipment, infrastructure, and support facilities necessary to develop, operate, transmit, and deliver energy from the Offshore Wind Generation Facility to the Delivery Point, and ORECs to an account designated by NYSERDA in NYGATS, excluding facilities and infrastructure associated with an Investment Plan.

#### **2.1.1 ORECs Offered**

NYSERDA is seeking to procure ORECs produced from one or more Offshore Wind Generation Facilities located in the ocean waters of the United States that become operational on or after January 1, 2015 that constitute, in aggregate, an anticipated 2,000 MW minimum and, if the submitted Proposals justify procurement of a larger quantity, NYSERDA may procure through this solicitation up to a maximum of 4,640 MW of total Offer Capacity. The maximum offer capacity is bound by reaching the 9,000 MW contemplated by the September 17, 2020 Final Supplemental Generic Environmental Impact Statement (SGEIS) in Case No. 15-E-0302.

The OREC production from the Offshore Wind Generation Facility offered to NYSERDA through this RFP, up to the Annual OREC Cap, may not be contractually committed to any other entity over the proposed Contract Delivery Term. Awardee will retain ownership and all rights to ORECs that exceed the Annual OREC Cap. For avoidance of doubt, NYSERDA seeks to acquire ORECS only, and will not have any claim to associated electric energy, capacity, or ancillary services associated with the ORECs.

A Proposer may not condition the acceptance of one Proposal on the withdrawal or acceptance of any other Proposal. All Proposals from a given lease area will be mutually exclusive: that is, NYSERDA will not award more than one Proposal from a given lease area. By submitting a Proposal, the Proposer commits the Project to this RFP, and no Proposal may be conditional on the result of offshore wind procurement activities of any other state. Project eligibility requirements do not preclude the option to propose two or more Delivery Points in New York City and/or Long Island as may be necessary to reasonably minimize interconnection costs. Project eligibility requirements do not preclude external Injection Points in neighboring Control Areas, provided the Proposer submits a Transmission Plan that addresses compliance with the relevant Open Access Transmission Tariff, wheeling and delivery to NYCA, the Electricity Delivery Requirements in Article III of the Agreement, and accord with the NYGATS tracking system that records generation attribute information.

#### **2.1.2 Investment Plans**

This solicitation seeks to deliver a coordinated solution to the priorities of enabling offshore wind projects in New York and those activities, expenditures, and investments that serve to improve New York State’s offshore wind-supporting infrastructure – including, specifically, the investment of up to

\$300 million (subject to legislative approval of the proposed FY 2023 Executive Budget) in New York State Funding towards New York offshore wind manufacturing and supply chain infrastructure. The New York State Funding is intended to prioritize the staging and/or manufacturing of offshore wind and related activities and to foster the development of a New York-based supply chain. To maximize the set of eligible investments and enable open-source infrastructure, this solicitation requires that the entity responsible for execution of the development of the Investment Plan (e.g. the owner of the Eligible Investment Site or a manufacturer that intends to locate there) be designated as the Funding Recipient of New York State Funding. Proposers are prohibited from entering into any arrangement with any Funding Recipient, landowner, developer or proposed end-user of the Eligible Investment Site that materially restricts the ability of such parties to collaborate with other Proposers in developing Investment Plans, and Proposers are required to certify in the Proposer Certification Form that no such arrangement exists.

New York State is offering up to \$300 million (subject to legislative approval of the proposed FY 2023 Executive Budget) of New York State Funding for Eligible Expenses, available for draws as critical Investment Plan milestones are met. 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. Further details regarding New York State Funding are included in Appendix C.2.

Requests for New York State Funding must be matched with private capital investment in the same Eligible Investment Sites at the highest level of private capital investment possible. At a minimum, across investment types, New York State Funding must be matched by at least \$3.00-for-\$1.00 (\$3.00 of private capital for every \$1.00 of New York State Funding).

- With the exception of the Required Standalone Proposal or an Alternate Proposal that does not include any Investment Plans, to be eligible for an award, a Proposal must include at least one Investment Plan. Each Investment Plan is limited to a maximum of \$125 million in New York State Funding. Each Proposal may include multiple Investment Plans up to a maximum total New York State Funding of \$300 million (subject to legislative approval of the proposed FY 2023 Executive Budget) in the aggregate. Investment Plans may be considered for New York State Funding at any Eligible Investment Site as defined and described by the Proposer. As described in Section 5.1.3, Proposals that do not include Investment Plans will be considered for award once NYSERDA has funded at least two Investment Plans through awards to other Proposals.
- Each Investment Plan will be reviewed by an Investment Scoring Committee to determine whether the Investment Plan is “investment worthy” or “not investment worthy.” This determination will be based on whether an Investment Plan meets the eligibility criteria and performs well under the evaluation criteria further described in Appendix C.2.

All Investment Plans submitted with a particular Proposal must be determined to be “investment worthy” in order for that OREC Proposal to be eligible for award.

Proposals for which all associated Investment Plans are considered “investment worthy” in accordance with the evaluation criteria set forth above and further detailed in Appendix C.2 will be evaluated for an OREC award, based upon the Commission’s evaluation criteria of 70% price, 20% economic benefits, and 10% viability, as further described in this RFP. With the exception of the Required Standalone Proposal or an Alternate Proposal that does not include any Investment Plans, if an Investment Plan is considered “not investment worthy,” the associated Proposal(s) will be deemed ineligible for an OREC contract award. To hedge against the risk that any single Investment Plan is found to be “not investment worthy,” Proposers are encouraged to consider submitting Alternate Proposals with different Investment Plans. These Alternate Proposals could include different options for the same type of Investment Plan (e.g., staging, manufacturing, O&M support), or different combinations of Investment Plan types. More than one Investment Plan may be submitted for a given Eligible Investment Site, to account for different uses, different funding approaches, or any other variation in the planned development approach.

As part of the counteroffer process noted in Section 5.3, NYSERDA reserves the right to propose that Proposers make adjustments to their Investment Plans, and Proposers are expected to make commercially reasonable efforts to accommodate NYSERDA’s requested adjustments.

NYSERDA’s plan to fully leverage Governor Hochul’s \$500 million (subject to legislative approval of the proposed FY 2023 Executive Budget) offshore wind supply chain commitment, including supply chain specific solicitations, are detailed in the Supply Chain Factsheet. Investment Plans not selected under this ORECRFP may be eligible for other New York State funding through those other processes. Any New York State Funding not awarded through this RFP is intended to be reallocated and available for standalone Investment Plans in one or more separate solicitations. For more details on standalone Investment Plans not paired with an OREC proposal under this RFP, please reference the Supply Chain Factsheet. 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>.

### **2.1.3 Required and Alternate Proposals**

Each Proposal must be for ORECs delivered from up to two Offshore Wind Generation Facilities. Other than upgrades to existing facilities, which is discussed below, each Offshore Wind Generation Facility included in a Proposal must represent a minimum Offer Capacity of either 1,000 MW or the maximum capacity available from the Proposer’s lease area if less than 1,000 MW. The maximum total Offer

Capacity contemplated under this solicitation is 4,640 MW.<sup>5</sup> Each Proposal, including all Alternate Proposals, must be Meshed Ready in accordance with the specifications noted in Appendix G and utilize HVDC technology.

A Proposal may include an upgrade capacity to an existing Offshore Wind Generation Facility if (i) the upgrade does not require a separate export cable from the existing facility, (ii) the upgrade project will be Meshed Ready and (iii) the upgrade adheres to all other eligibility criteria outlined in Sections 2.1 and 2.2 of this RFP. For example, any upgrade Proposal must include a Stakeholder Engagement Plan, and New York Jobs and Workforce Plan.

Each Proposal should be priced assuming that the Project will operate in a dedicated radial configuration. Section 4.2.1 describes modifications to be made to the OREC settlement mechanism if and when a Meshed Network is implemented.

Each Proposal (including any upgrade Proposal), with the exception of the Required Standalone Proposal and any Alternate Proposals that do not include Investment Plans, must propose New York State Funding for port, manufacturing, or supply chain investments through its associated Investment Plans and adhere to the limits and requirements noted in Section 2.1.2 and Appendix C.2. Each individual Investment Plan must propose up to \$125 million in New York State Funding.<sup>6</sup> All Proposers must submit a Required Base Proposal and a Required Standalone Proposal but may also submit an uncapped number of Alternate Proposals with varied parameters as described below.

- The **Required Base Proposal** may use either the Index OREC or Fixed OREC pricing structure, must include pricing for a 25-year Contract Tenor, and may additionally include pricing for a 20-year Contract Tenor, and must reflect energy delivered through a direct HVDC marine cable interconnection from the Offshore Wind Generation Facility to a Delivery Point in NYISO Zone J or K. The Required Base Proposal must include at least one Investment Plan. The Required Base Proposal must include pricing without Energy Storage and without Interconnection Cost Sharing.
- The **Required Standalone Proposal** must request no New York State Funding, and therefore include no Investment Plans. As described in Section 5.2, the Required Standalone Proposal will be considered once NYSERDA has funded at least two Investment Plans through awards to other Proposals. The Required Standalone Proposal may use either the Index OREC or Fixed OREC pricing structure, must include pricing for a 25-year Contract Tenor, and may additionally include pricing for a 20-year Contract Tenor, and must reflect energy delivered through a direct HVDC marine cable interconnection from the Offshore Wind Generation Facility to a Delivery Point in NYISO Zone J or Zone K. The Required Standalone Proposal must include pricing without Energy Storage and without Interconnection Cost Sharing.

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<sup>5</sup> The Proposal Offer Capacity may reasonably deviate to within  $\pm 5$  percent of the design capacity of individual components of the Offshore Wind Generation Facility, but consistent with the SGEIS that supports the October 2020 Clean Energy Standard Order, the Offer Capacity for any individual Proposal cannot exceed 4,640 MW.

<sup>6</sup> New York State Funding requires 3-for-1 matching as specified in Appendix C.2.

- **Alternate Proposals** may be for ORECs delivered from Offshore Wind Generation Facilities of other technical configurations (while still abiding by the requirements of an HVDC radial interconnection line and Meshed Ready offshore substations), other Offer Capacity, other Injection Point(s) and/or Delivery Point(s), other economic benefit packages (including other Investment Plans than those submitted in the Required Base Proposal), or other expected Commercial Operation Dates. It is possible that more than one Proposer may select the same Delivery Point, resulting in (i) increased costs of interconnection to accommodate both Proposals or (ii) mutually exclusive Proposals if the Delivery Point cannot accommodate both Proposals. Accordingly, NYSERDA strongly encourages Proposers to submit at least one Alternate Proposal that reflects an alternative Delivery Point and at least one Alternate Proposal that includes Interconnection Cost Sharing. Alternate Proposals may be for either a 20-year or 25-year Contract Tenor and must offer either an Index OREC Strike Price or a Fixed OREC Price as described in Section 2.1.4. Alternate Proposals may be submitted with or without Energy Storage.

#### **2.1.3.1 Interconnection Cost Sharing (optional)**

Alternate Proposals may include an optional price structure that contemplates an Interconnection Cost Sharing approach wherein the Proposer identifies NYISO interconnection cost levels that the Proposal price is predicated upon, and up to which the interconnection cost would be absorbed fully by the Proposer, and above which additional costs would be shared between the Proposer and NYSERDA or borne fully by NYSERDA (with NYSERDA's cost share to be added to the Index OREC Strike Price or Fixed OREC Price). Proposals of this type will be evaluated using a risk-adjusted price adder as further described in Section 4.3. An Alternate Proposal that includes Interconnection Cost Sharing must correspond to a Proposal that is otherwise the same but does not include Interconnection Cost Sharing.

For Alternate Proposals that include Interconnection Cost Sharing, NYSERDA will assume that the Index OREC Strike Price or Fixed OREC Price reflects the Proposer's maximum potential cost exposure associated with the identified cost sharing parameters.

For Alternate Proposals that include Interconnection Cost Sharing, in the event that the applicable interconnection study demonstrates that the interconnection costs allocable to the Project at the Delivery Point are reduced due to implementation of the [Long Island Offshore Wind Export Public Policy Transmission Need \(LI-PPTP\)](#), the Index OREC Strike Price or Fixed OREC Price will be adjusted downward based on NYISO's determination of the impact of the LI-PPTP, as further described in Section 4.3. The purpose of this adjustment is to limit ratepayer exposure to paying for both the LI-PPTP and the Project's original expected interconnection cost. This downward adjustment would be triggered only in the event of the LI-PPTP reducing interconnection costs below what is reasonably expected at the time of bid submission and is therefore not factored into bid evaluation.

Any Alternate Proposal that includes both Energy Storage and Interconnection Cost Sharing must correspond to a Proposal that does not include Energy Storage or Interconnection Cost Sharing, but there is no requirement to also submit additional Alternate Proposals with only Energy Storage and only

Interconnection Cost Sharing along with such an Alternate Proposal. If Interconnection Cost Sharing is proposed in combination with Energy Storage, the Interconnection Cost Sharing can only be for the interconnection of the Project, unless the Energy Storage is submitted as part of the Project's interconnection request to NYISO, e.g., in the case that the Energy Storage is connected to the Project's onshore radial line prior to the Delivery Point. If the Energy Storage has a different point of interconnection or has a separate interconnection request to connect at the Delivery Point, its interconnection costs cannot be included in the Interconnection Cost Sharing mechanism.

#### **2.1.4 Pricing**

Each Proposal must include a firm offer price using either the Index OREC pricing structure or the Fixed OREC pricing structure as described in Section 4.1. If a Proposal includes two Offshore Wind Generation Facilities that have different Delivery Points, separate pricing may be submitted for each. Offer prices for each Proposal are all-inclusive, that is, for all components of the Project, optional Energy Storage, and the implementation of the associated Investment Plan(s) (if applicable). Under the Index OREC pricing structure, the OREC price varies monthly. It equals the Index OREC Strike Price minus the monthly Reference Price. The monthly Reference Price is the sum of the Reference Energy Price and the monthly Reference Capacity Price, as described in Section 4.1.2.

Each Proposal should be priced assuming that the Project will operate in a dedicated radial configuration. Section 4.2.1 describes modifications to be made to the OREC settlement mechanism if and when a Meshed Network is implemented.

If a Project becomes eligible for and obtains Qualifying Federal Support, there will be an adjustment to the Fixed OREC Price or to the Index OREC Strike Price, as appropriate, to provide for a sharing of the Qualifying Federal Support between NYSERDA and Seller. The price adjustment will be computed as described in Section [x] of the Agreement such that 75% of the net benefit of the Qualifying Federal Support would be applied to a reduction in the Fixed OREC Price or the Index OREC Strike Price, as appropriate.<sup>7</sup>

#### **2.1.5 Site Control**

Proposer must hold (a) an irrevocable right or option to develop the entire Offshore Wind Generation Facility site footprint within a federal BOEM commercial wind energy lease area; or (b) demonstrate the existence, within or as a part of the Proposal, of a fully-executed lease for the BOEM commercial wind energy lease area within which the Offshore Wind Generation Facility is to be sited; or (c) demonstrate that it is a provisional winner of a BOEM wind energy area lease sale pursuant to 30 C.F.R. 585 and is proceeding toward lease execution. Proposers must notify NYSERDA promptly upon the execution of such lease. Section 9.01(c) of the Agreement requires Seller to warrant that it "has, or reasonably expects to have prior to the time needed, all real property rights to construct, interconnect, and operate the Selected Project."

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<sup>7</sup> Note to draft: The Agreement will include a provision similar to the "Reduction in Price for Qualifying Federal Support" provisions in the Tier 4 REC Purchase and Sale Agreements.

Proposers must identify the proposed Delivery Point(s), and, if interconnecting to another control area, Injection Point(s), describe what rights Proposer has to the Delivery Point(s), and provide a detailed plan and timeline for the acquisition of any additional rights necessary for the interconnection(s) and for the right-of-way for transmission radial line to the Delivery Point(s). Such rights may be held by Proposer directly or indirectly via partnership with a transmission developer. Proposers may enter into contract arrangement with a transmission developer to support evidence of site control, which NYSERDA may consider in its evaluation of Project Viability.

### **2.1.6 Interconnection and Delivery**

Proposers must demonstrate that energy generated by the Offshore Wind Generation Facility can be delivered into the NYCA. The Required Base Proposal must incorporate an Injection Point in NYISO Zone J or K. Alternate Proposals may interconnect in an adjacent Control Area. Such Proposals must address how Proposers intend to fulfill the Electricity Delivery Requirements contained in Article III of the Agreement.

For the Required Base Proposal or for any Proposal including a direct interconnection to the NYCA, Proposers must have submitted a valid Large Facility Interconnection Request with the NYISO. For Offshore Wind Generation Facility Proposals that would interconnect in an adjacent Control Area, Proposers must have submitted a similar interconnection request to ISO New England or PJM, as applicable. In submission of this RFP with such interconnection request, the Proposer agrees that NYSERDA is authorized to solicit and receive status and other technical details of the Proposer's interconnection request from the relevant Control Area. Proposer agrees to execute such authorizations and documentation as may be required to allow NYSERDA access to such information.

Projects must be designed so that the subsea cables for radial connection between the offshore substation and cable landfall utilize HVDC technology. Offshore substations must incorporate the Meshed Ready requirements prescribed in Appendix G of this RFP.

#### **2.1.6.1 Conformance with NYGATS Operating Rules**

If awarded a contract, Proposers must obtain a valid NYGATS ID for the Offshore Wind Generation Facility and operate in conformance with the NYGATS Operating Rules. Delivery of electricity during the Contract Delivery Term that complies with the Electricity Delivery Requirement contained in Article III of the Agreement will be sufficient to support the creation of ORECs by NYGATS and the implementation of the Forward Certificate Transfer of ORECs, up to the Annual OREC Cap, into NYSERDA's NYGATS Account. NYSERDA will make payment for ORECs from the Offshore Wind Generation Facility delivered to NYSERDA's NYGATS account.

### **2.1.7 Repurposing Downstate Fossil Fuel Generation Infrastructure (optional)**

Proposals that propose to repurpose existing downstate fossil-based electric generation infrastructure for use by the Project ("Fossil Repurposing Proposals") must (i) identify the specific facility or asset(s) within a facility proposed to be repurposed, (ii) demonstrate usage rights and authority to carry out such a repurposing and (iii) lay out a clear plan for implementing the Fossil Repurposing Proposal, including

obtaining regulatory approvals, prior to the Project's commencement of operations as further described in Sections 3.2.7 and 6.4.9.

In addition, as set forth in Section [x] of the Agreement, as a condition to NYSERDA's commitment to purchase ORECs from any Project that contemplates a Fossil Repurposing Proposal that would cause changes in generation profile or deactivation of any fossil-based electric generation resource ("Affected Resource"), the owner(s) of the Affected Resource must contractually commit to continuing to operate the Affected Resource in compliance with all applicable laws and regulations, including NYSISO tariffs, until a determination has been made by NYISO and any other relevant regulatory authorities that the change in generation profile or deactivation will not lead to a violation of reliability criteria or other applicable conditions ("Generation Rules").

To demonstrate usage rights and authority to carry out the repurposing, the Proposer of any Fossil Repurposing Proposal must provide an executed agreement or letter of intent with the owner(s) of the relevant fossil-based electric generation infrastructure.

The Fossil Repurposing Proposal must lay out a clear plan and timeline for implementation, including obtaining regulatory approvals, prior to the Project's commencement of operations. As further described in Section 3.2.7, the viability of the Fossil Repurposing Proposal will be evaluated by the Scoring Committee, taking into account Specialist Reviewer assessment and other analysis that may be conducted by the Scoring Committee, Specialist Reviewers and/or NYSERDA Consultants.

Given uncertainties with respect to the rapidly evolving energy industry and regulatory environment, as further described in Section 3.2.7, NYSERDA encourages Proposers to consider inclusion of contingency plans in case some or all of the Fossil Repurposing Proposal is delayed or unable to be completed prior to the Project's commencement of operations (for example, if regulatory approvals are not obtained by such time) and/or submission of an Alternate Proposal which does not include a Fossil Repurposing Proposal.

The just transition of workers affected by Fossil Repurposing Proposals must also be addressed in the New York Jobs and Workforce Plan (Appendix H).

### **2.1.8 Contract Delivery Term**

Each Proposal must specify an expected Commercial Operation Date and Contract Tenor. Proposers may elect to divide the Project's Offer Capacity into multiple phases, with each phase subject to a Contract Delivery Term specific to that phase as further described below. For a multi-phase Proposal, the Proposer must specify the expected Commercial Operation Date and Offer Capacity of each phase.

The Contract Delivery Term for each phase of the Project will commence on the first day of the month after the actual Commercial Operation Date for the phase and end at the date upon which the Contract Tenor has elapsed for the phase or at the Outer Limit Date, whichever occurs first. If less than twenty-five percent (25%) of a phase of the Project has commenced Commercial Operation (as determined on an Operational Installed Capacity basis as compared to the Offer Capacity), Seller may elect to delay the

commencement of the phase's Contract Delivery Term for a period not to exceed one year after any portion of the Project has achieved Commercial Operation.

The OREC production from the Offshore Wind Generation Facility offered to NYSERDA through this RFP, up to the Annual OREC Cap, may not be contractually committed to any other entity over the Contract Delivery Term.

### **2.1.9 Energy Storage (optional)**

Proposals do not need to include Energy Storage to be eligible. However, for a Proposal that includes Energy Storage to be eligible for incremental Project Viability points, the Energy Storage must meet the eligibility requirements described in this section. Any Proposal that includes Energy Storage must be submitted as an Alternate Proposal that corresponds to another Proposal without Energy Storage. Eligible Energy Storage that provides reliability resilience, economic, and/or decarbonization benefits to the electric grid may be awarded additional scoring credit under Project Viability, as further described in Section 3.2.13. Incremental Economic Benefits associated with Energy Storage will be included in the New York Economic Benefits scoring, as described in Section 3.3.

Alternative energy storage applications not covered in the Energy Storage definition of this RFP may be considered under New York Economic Benefits as decarbonization, clean energy industry or energy transition investments as further described in Section 3.3.3 and Appendix C.1. New storage technologies, such as electrolytic hydrogen, which do not directly inject to the electrical grid will not be subject to Energy Storage eligibility and viability criteria as described below or in Section 3.2.12.

Energy Storage facilities do not need to be registered in NYGATS. All Energy Storage facilities must be located in NYISO Zone J or K.

To be eligible, the Energy Storage must be constructed consistent with Section VI, "Quality Assurance" (including the [Battery Energy Storage System Guidebook](#) referenced therein), Section VII, "Measurement and Verification," and Section IX, "Technical Requirements" of NYSERDA's [Bulk Storage Incentive Program Manual](#), including any changes to the Technical Requirements, which are expected to evolve as the industry develops.

Energy Storage may be either:

1. Adjacent to the Project's Zone J or K Delivery Point or the onshore route of the generator lead line to the Project's Delivery Point and charged directly with Project output so as to be co-located, or
2. Located in a separate location in either of NYISO Zone J or K and not charged directly with Project output.

In addition:

- The Energy Storage equipment must consist of commercial products carrying a manufacturer's warranty. The warranty must cover the entire energy storage system including ancillary equipment and power electronics. Experimental, beta, or prototype equipment is not eligible.

- The Energy Storage system must be certified to meet minimum safety requirements by a Nationally Recognized Testing Laboratory as evidenced by specific UL listings defined in the Program Manual. These will evolve to meet current best practices in the storage industry. These UL listings must be received by the time that the system enters commercial operation.
- Energy Storage systems and components must comply with all manufacturers' installation requirements, applicable laws, regulations, codes, licensing, and permit requirements. This includes, but is not limited to, SEQR; Article 10; the Accelerated Renewables Act, the International Building Code Series as amended by the New York State Uniform Code Supplement; the National Electric Code<sup>10</sup>; New York State's Standard Interconnection Requirements; and all applicable State, city, town, or local ordinances or permit requirements, and any additional requirements of the local authority having jurisdiction (AHJ), and demonstrate compliance with the requirements in the [New York Battery Energy Storage System Guidebook](#).
- Energy Storage systems must be installed as proposed and remain in place for at least 10 years, or for a term of up to the Contract Tenor as indicated in the Proposal, whichever is longer. Successful Proposers must, prior to the commencement of construction, provide an executed Energy Storage operations and maintenance agreement for a term which is greater than or equal to the proposed Energy Storage term.

Note that, under the Agreement, NYSERDA will make payment only for ORECs delivered to NYSERDA's NYGATS Account. If the Energy Storage is charged directly from the Offshore Wind Generation Facility electrically behind or at the Delivery Point so as to be co-located, the energy discharged from the Energy Storage will generate ORECs that will be eligible for payment. Should a co-located Proposal receive an award, the Proposer will be required, at the time of contracting, to demonstrate to NYSERDA's satisfaction that the Project and Energy Storage will be configured and metered in a way that will ensure that ORECs are created only based on energy generated by the Offshore Wind Generation Facility. Energy Storage facilities that are in a separate location may store energy from the grid but will not create ORECs and therefore the associated stored energy will not be eligible for payment under the Agreement.

Awarded Proposers not including Energy Storage in the selected Proposal may add an Energy Storage facility in the future, subject to fulfilling all existing terms of the Agreement, provided that such Energy Storage component will not be used to re-price a Project that initially lacks Energy Storage. Energy storage advanced after the time of an award may participate in other NYSERDA incentive programs or competitive procurements run by New York State utilities.

The following Energy Storage projects are not eligible for an award under this solicitation:

- An Energy Storage project that is owned by a regulated utility, the New York Power Authority, or the Long Island Power Authority;
- An Energy Storage project that has been awarded a utility Bulk Dispatch Rights Contract;
- An Energy Storage project that receives a NYSERDA Retail Storage Incentive, or a NYSERDA Bulk Storage Incentive;
- An Energy Storage project located outside of the NYCA;

- An Energy Storage project subject to a previous NYSERDA award or contract;
- Pumped hydroelectric storage.

Energy Storage projects participating in a utility Bulk Dispatch Rights solicitation or other utility-managed competitive offer are eligible to participate in ORECRFP22-1, however no facility is eligible for award under ORECRFP22-1 if it is selected by a utility-managed solicitation or other competitive offer. NYSERDA will coordinate with the manager of any other active solicitation prior to issuing final awards under ORECRFP22-1 to ensure that projects participating in multiple offers are not prematurely deemed ineligible.

There is no required minimum size or minimum discharge, duration, or charge capability for Energy Storage if it is proposed.

The Proposer must have at least an executed site use agreement or letter of intent with the Energy Storage site owner(s). The full site needed for the Energy Storage must be covered by the site use agreement(s) and/or letter(s) of intent.

The Proposer must identify the proposed Energy Storage interconnection point, and if different than the Offshore Wind Generation Facility Injection Point(s), describe what rights the Proposer has to the Energy Storage interconnection point and provide a detailed plan and timeline for the acquisition of any additional rights necessary to utilize the Energy Storage interconnection point.

## **2.2 Contract Commitments Relating to Considerations Identified in the Offshore Wind Orders and New York State Public Service Law**

The Offshore Wind Orders authorize NYSERDA to include, at its discretion, certain contract requirements in agreements resulting from this solicitation. NYSERDA has adopted the following requirements and has incorporated them into the Agreement.

### **2.2.1 Prevailing Wage Requirement**

In accordance with Labor Law § 224-d (2), and NYSERDA's requirements as contained in the Agreement or any agreement for Grant Funds, and unless otherwise provided in a Project Labor Agreement (PLA) covering the construction of the Project, or any facilities constructed in whole or in part with Grant Funds, all laborers, workmen and mechanics (within the meaning of those terms under NYS Labor Law Article 8) performing construction activities within the United States (including federal waters) with respect to the Project, including, but not limited to, the assembly, staging, installation, erection, and placement of the Project and its electrical interconnection as well as those construction activities related to start-up and commissioning of the Project, whether through long-term or short-term employment, must be paid wages and benefits in an amount not less than the Prevailing Rates (as determined under NYS Labor Law Section 220 for construction activities in New York, or pursuant to the Agreement for construction activities elsewhere as determined by analogous state law) that would be applicable to a public work in the area where the subject Project construction activities occur. Unless provided otherwise in any negotiated PLA, it is generally expected that covered construction, for these purposes, will include United States-based offsite fabrication traditionally performed on-site by construction craft when that fabrication produces items specifically designed for construction of the Project, fabrication

occurs off-site for the convenience of the contractor, and the fabrication is part of a single integrated construction process. For construction activities in federal waters, the rates shall be those applicable at the location of the port or ports from which the laborers, workmen or mechanics are based for purposes of that offshore work. In the event that workers for a Project are based from multiple ports, Sellers must come to agreement with NYSERDA on uniform rates to apply to the Project. For the avoidance of doubt, in the event that Labor Law § 224-d (2) does not apply as a matter of law to work performed in federal waters, NYSERDA nonetheless requires the payment of Prevailing Rates as a matter of contract. This requirement applies: (1) to all laborers, workmen and mechanics performing construction activities, whether direct employees of the Seller or of Seller's subcontractor(s), and (2) regardless of whether or not such employment was claimed as an Incremental Economic Benefit in its Proposal. No less than six months prior to the start of Construction, Seller must notify NYSERDA of its intent to commence construction activities, and in cooperation with the New York State Department of Labor, generate a prevailing wage determination for the Project, as will be updated from time to time. Unless relieved of such requirements by entering into a duly executed PLA in accordance with NYS Labor Law § 222, Seller will be responsible for complying with all prevailing wage requirements (including but not limited to reporting requirements) under New York State Labor Law §§ 220, 220-b, and 224-d. In addition, Seller may be called upon to report compliance with the Prevailing Wage Requirement throughout the Term of the Agreement. See Section 18.10 of the Agreement.

## **2.2.2 Project Labor Agreement**

As referenced herein, a PLA refers generally to a single collective bargaining agreement (including a pre-hire agreement) covering both contractors in the construction industry working on a Project and a bona fide building and construction trade labor organization representing the craft workers on that Project.

After consideration of the potential impact of a PLA, NYSERDA has concluded that a PLA, with appropriate terms, could serve the State's and public's interest. Accordingly, as is described more fully in Section 18.11 of the Agreement, each awardee will be required to present to NYSERDA for its review a plan outlining its intentions with respect to the negotiation of a PLA to cover all construction activities on the Project, as defined in Section 2.2.1, within the United States (including in federal waters). NYSERDA should thereafter be kept apprised of negotiations as they proceed, and NYSERDA shall have the right to have one or more representatives attend negotiation sessions as it determines is in its best interests. Additional guidance regarding the PLA and how it should be represented in the New York Jobs and Workforce is described in Appendix H.

Such negotiations are to cover, at a minimum, the topics described below.

The PLA should contain:

1. Provisions that appropriately limit applicability of the PLA to United States-based (including federal waters) covered work on the Project (and not extending to any other work performed by Project contractors and subcontractors, or to the work of their affiliated entities), ensuring that Project contractors or subcontractors are not required to become a signatory to any other labor agreement, and appropriately providing for the supremacy of the PLA over any potentially

conflicting labor agreements that might otherwise apply to contractors and subcontractors. The PLA must apply to all covered construction and all contractors and subcontractors, of whatever tier, performing construction work on the Project (subject to appropriate exceptions), and the PLA should be available to all contractors and subcontractors, of whatever tier, regardless of their union affiliation;

2. Provisions for appropriate union recognition and security (limited to Project work) and the referral of skilled craft workers, including provisions for staffing in the event qualified referrals are not reasonably available and for the reasonable use of a number of core employees by contractors and subcontractors (regardless of union affiliation and referral practices that might otherwise exist);
3. Comprehensive labor harmony provisions to ensure against Project disruption as a result of worksite disputes or other labor disputes of any kind;
4. Comprehensive provisions for the resolution of workplace disputes through third party resolution, including provisions for the resolution of jurisdictional disputes (without Project disruption), and appropriate provisions for labor management cooperation;
5. Appropriate provisions to allow the cost effective and efficient coordination of multiple trades and contractors and subcontractors (notwithstanding any local labor agreements that might otherwise be applicable to contractors and subcontractors), as well as other appropriate management rights (such as adequately ensuring the Contractors'/subcontractors' choice of materials, techniques, methods, technology or design, or, regardless of source or location; use and installation of equipment, machinery, package units, pre-cast, pre-fabricated, pre-finished, or pre-assembled materials, tools, or other labor-saving devices; the installation or use of materials, supplies or equipment regardless of their source (including as may be required by a vendor and/or to ensure warranty coverage); and to perform off-site work, subject to any restrictions imposed by law);
6. Appropriate provisions promoting MWBE and SDVOB employment, as well as the employment of New York workers and low-income workers;
7. Appropriate provisions for the use of apprentices; and
8. Appropriate provisions for rules governing worksite access and conduct.

Awardees may appoint or delegate to a contractor or third party the authority to conduct such negotiations and/or to execute the PLA; however, the responsibility to deliver the PLA and to ensure its sufficiency and compliance with its terms will remain with awardee. A final PLA consistent with this Section shall be presented to NYSERDA for review and approval within 180 days of BOEM's approval of the COP for the Project. Seller will be required to report quarterly on all eight items required in the PLA such as number of in-state jobs provided, MWBE and SDVOB employment statistics, education and apprenticeship programs, quantitative and qualitative data regarding engagement with New York labor

groups, among others as outlined in the Agreement and reflective of ongoing compliance with the PLA. Section 18.11 of the Agreement provides further procedures should the awardee fail to reach agreement on a final PLA within that timeline.

NYSERDA's review of any agreed-upon PLA will be based on the specific terms of the negotiated PLA and will take into account the best interests of NYSERDA with respect to the Project, and the public it serves, and will include consideration of Project viability, the cost-effectiveness of the PLA, and the need for timely Project completion.

Projects that receive New York State Funding pursuant to this RFP will enter a separate funding agreement with NYSERDA. In light of the State's interest in timely and cost-effective completion of both the development of Eligible Investment Sites and the Offshore Wind Generation Facility, any such separate funding agreement will include provisions that mirror Sections 18.10 and 18.11 of the Agreement and that would apply to construction work on the Eligible Investment Sites. Each such separate funding agreement will include a timing requirement that will require adherence to a PLA negotiation schedule, with milestones and requirements similar to those listed above related to the construction of the Project, commencing upon execution, or prior to execution, of the separate funding agreement. For public entities awarded Grant Funds, the public entities must initiate a PLA feasibility study upon execution, or prior to execution, of the separate funding agreement; such PLA feasibility study will be conducted in cooperation with NYSERDA, and pursuant to the terms of the separate funding agreement. Proposers are advised that efforts to ensure the timely completion of development work, costs savings from use of a PLA, and the commitment to avoid labor strife through a PLA will be considered a factor that mitigates project-on-project risk.

### **2.2.3 Labor Peace Agreement**

New York State Public Service Law 66-r (3) requires that the Agreement include a stipulation that the owner of the Project, or a third party acting on the owner's behalf, stipulate to entering into a Labor Peace Agreement (LPA) with a bona fide labor organization representing, or attempting to represent, employees providing operations and maintenance services for the Project. Adherence to such LPA will be an ongoing condition necessary to receive payments under the Agreement.

### **2.2.4 U. S. Iron and Steel (Buy-American)**

New York State Public Service Law (PSL) § 66-r (4) (a) (the Buy-American Act) requires public entities to include within the terms and conditions of any covered contracts a contractual requirement that "iron and structural steel used or supplied in the performance of the Contract or any subcontract thereto[,] and that is permanently incorporated into the public work, [be] produced or made in whole or substantial part in the United States, its territories or possessions." However, PSL § 66-r (4) (b) provides that the Buy-American requirement "shall not apply if the head of the department or agency constructing the public works, in his or her sole discretion, determines that the provisions would not be in the public interest, would result in unreasonable costs, or that obtaining such steel or iron in the United States would increase the cost of the contract by an unreasonable amount, or such iron or steel, including without limitation structural iron and structural steel cannot be produced or made in the

United States in sufficient and reasonably available quantities and of satisfactory quality.” The Buy-American Act requires the soliciting agency to make such determination in each RFP.

For this RFP (ORECRFP22-1), NYSERDA has determined that “structural” iron or steel components are load bearing, necessary to create the structure of the installation, are comprised of steel or iron, and do not include components that are core to the function of producing electricity (i.e., wind turbine nacelle and internal components. These structural components that are “permanently incorporated” into the Project (“Covered Components”) include: (1) the tower supporting the turbine, inclusive of any platforms, transition pieces, or other similar structural elements permanently affixed to the tower; (2) elements incorporated into or comprising the foundation supporting the tower, including a steel monopile or reinforcing iron or steel; (3) reinforcing iron or steel incorporated into or supporting the foundation of any offshore substation; and (4) reinforcing iron or steel incorporated into the offshore substation topside which houses the electrical equipment.

NYSERDA has determined that the following components are operational by nature and are **NOT** “structural” iron or steel components that are “permanently incorporated” into the Project, and therefore are **NOT** “Covered Components” subject to the Buy-American Act: (1) rotor hub; (2) main shaft; (3) main frame (transition from nacelle to tower; (4) yaw system; (5) rotor blades; (6) rotor bearings; (7) gearbox; (8) generator; (9) pitch system; (10) power converter (11) transformer; (12) brake system; (13) nacelle housing; (14) electrical equipment; and (15) cables, screws, and other fasteners.

In accordance with the objectives of the Buy-American Act, NYSERDA has undertaken a study to examine the implications of the Buy-American Act as applied to the Offshore Wind Generation Facilities and associated Project components anticipated to be the subject of Proposals submitted in response to this RFP (ORECRFP22-1). On the basis of this study, and in consideration of the factors set forth in the Buy-American Act, NYSERDA has determined that steel plate with the necessary thickness, dimension, and strength properties used to manufacture monopile foundations cannot be produced or made in the United States in sufficient and reasonably available quantities without incurring unreasonable expense. Furthermore, for other Covered Components, NYSERDA has determined that requiring all structural iron or steel to be sourced domestically would not be in the public interest, as it may result in unreasonable increased costs and schedule delays, and the limited availability of large-dimensioned (length, width, and thickness) heavy steel plate and may negatively impact Project cost and schedule.

For this RFP (ORECRFP22-1), NYSERDA has determined to not require all structural iron or steel to be produced in the United States; however, use of iron and steel that is produced in New York, and in the United States, is valued by NYSERDA, and such commitments, while not strictly required in accordance with the Buy-American Act to participate in this solicitation, will be viewed favorably in proposal evaluation. Accordingly, Proposals with commitments to utilize domestic steel will receive additional New York Economic Benefits scoring credit. Claimed expenditures associated with purchasing commitments for U.S. Iron and Steel will be entered in the Agreement as Expected U.S. Iron and Steel Dollars.

For more information on U.S. Iron and Steel commitments, please see Section [x] of the Agreement.

### **2.2.5 Consultation with New York State Agencies**

Proposers must agree, if awarded a contract, to consult with certain New York State agencies during planning and development of the Offshore Wind Generation Facility, including the transmission radial line to the on-land Injection Point, and the Energy Storage, if included. The intention of these consultations is to provide the agencies with a greater understanding of the Project and inform the contract awardee about important resource considerations and the permitting approach early in the process, and to inform the approach with feedback from stakeholders and New York State agencies in an effort to reduce uncertainty, improve transparency, and minimize conflicts. Earlier, periodic informal consultations are advised to narrow issues and streamline the formal process. This requirement will be accomplished in parallel with the federal process, recognizing that BOEM has primary jurisdiction over the offshore aspects of a Project.

At a minimum, contract awardees will be required to consult with the following agencies relating to agency goals and responsibilities on the following topics:

1. The New York State Department of State (DOS) with respect to a Project's consistency with the policies set forth in the State's Coastal Management Program;
2. The New York State Department of Environmental Conservation (DEC) with respect to assessment and mitigation of potential environmental impacts, including but not limited to, water quality, air quality, benthic communities, fish, fisheries and wildlife impacts of the Project;
3. The New York State Office of Parks, Recreation and Historic Preservation (OPRHP) with respect to the assessment and mitigation of effects on sites of historic or archeological significance;
4. The New York State Department of Public Service (NYDPS) with respect to a Project's electrical interconnection and any applicable regulatory requirements under the Public Service Law;
5. The New York State Office of General Services (OGS) with respect to a Project's electrical interconnection involving State land; and
6. NYSERDA as a point of contact with respect to a Project's general consistency with the New York State Offshore Wind Master Plan and stakeholder feedback.
7. NYSERDA with respect to identifying and delivering benefits to Disadvantaged Communities.

More specifically, the required consultation will consist of the following steps:

1. At the time it submits a proposed Site Assessment Plan (SAP) to BOEM, a contract awardee will also submit the proposed SAP to DOS, DEC, OPRHP, NYDPS, OGS, NYSERDA, and any other state agency that NYSERDA notifies contract awardee to include (each, a "Consulting State Agency"), so that each such Consulting State Agency may provide input on the SAP concurrently with BOEM's review. Each Consulting State Agency will provide to the contract awardee the agency's initial comments on the proposed SAP – either jointly or individually – within 60 calendar days of receipt. The contract awardee then must meet or engage with each Consulting State Agency

that requests a meeting at reasonable times and intervals in an effort to attempt to resolve any issues.

If a contract awardee has already submitted its SAP to BOEM at the time of its Proposal under this RFP, the contract awardee should so state in its Proposal and propose an alternative process for consultation with the Consulting State Agencies.

2. At the time it submits a proposed COP to BOEM, a contract awardee will also submit the proposed COP to the Consulting State Agencies, so that each Consulting State Agency may provide input on the SAP concurrently with BOEM's review. Each Consulting State Agency will provide to the contract awardee that agency's initial comments on the proposed COP – jointly or individually – within 60 days of receipt. The contract awardee then must meet or engage with those Consulting State Agencies that request such a meeting, at reasonable times and intervals in order to attempt to resolve any issues. If a contract awardee has already submitted to BOEM a COP at the time of its Proposal under this RFP, the contract awardee should so state in its Proposal and propose an alternative process for consultation with the Consulting State Agencies with respect to the COP.
3. The requirements and processes set forth in paragraphs 1 and 2 above will apply to any component, or resubmittal of a SAP or a COP, respectively, that a contract awardee submits to BOEM, including, but not limited to, any required surveys or documentation required under the National Environmental Policy Act. Thus, the contract awardee will submit all SAP and COP components and revisions to the Consulting State Agencies concurrent with submission to BOEM.
4. Proposers are directed to reference Section 8.1 of this RFP, where the treatment of confidential information is discussed. The Consulting State Agencies will not disclose information generated by those agencies (such as comments on draft materials) that they determine contains confidential trade secret information provided by a contract awardee to third parties. Notwithstanding an assertion by a contract awardee that particular information constitutes confidential trade secret information exempt from FOIL, the Consulting State Agencies will make their own determinations as to how to comply with the law and whether a FOIL exemption applies. In order to do so, the Consulting State Agencies may request further information from a contract awardee about contract awardee's asserted justification for withholding designated information. Any agreement on the part of any Consulting State Agency to exempt certain information from FOIL disclosure shall not bind any other agency and shall not diminish a contract awardee's obligation to make non-proprietary Site and Environmental Data available to the public.
5. The consultation requirements set forth above in this Section 2.2.5 do not obviate or replace the federal Coastal Zone Management Act regulatory requirement in 15 CFR Part 930 and in the event of conflicting timeframes, the federal regulations will prevail.
6. Contract awardees will provide NYSERDA updates on these consultations in their quarterly reports. More details on reporting requirements are set forth in Section 6.4.15 (Stakeholder Engagement Plan).

### **2.2.6 Participation in Technical Working Groups**

Proposers must agree, if awarded an Agreement, to reasonably participate in the Environmental, Commercial and Recreational Fishing, Maritime, and Jobs and Supply Chain Technical Working Groups (TWGs), as well as any other TWGs formed in the future covering other topics relevant to this RFP such as a Transmission or Energy Storage TWG, in each case as directed by NYSERDA. This includes participation in TWG meetings and engaging with the relevant stakeholder groups within the TWG regarding the proposed Project.

### **2.2.7 Support for Monitoring Key Commercial Fish Stocks and Wildlife**

Proposers must agree, if awarded an Agreement, to, within two years, provide financial and technical support to regional monitoring of wildlife and key commercial fish stocks through a minimum contribution of \$10,000 per MW of Offer Capacity. Of this, \$5,000 per MW of Offer Capacity must be used by the Proposer, in concurrence with NYSERDA, to support regional monitoring of key commercial fish stocks to better understand how offshore wind energy development is potentially altering the biomass and/or distribution of these stocks. Similarly, \$5,000 per MW of Offer Capacity must be used by the Proposer, in concurrence with NYSERDA, to support regional monitoring of wildlife to better understand how offshore wind energy development effects distribution and abundance of sensitive species. These monitoring efforts may be committed via regional monitoring organizations or independently by the Proposer (or some combination) upon NYSERDA approval but shall be used to advance the responsible development of the offshore wind energy industry, not necessarily the proposed project. Seller must report specific spend against this investment requirement quarterly including amount, purpose and result of investment.

### **2.2.8 Site and Environmental Data Transparency**

If awarded a contract, Proposers must agree to make publicly available any information or data and supporting metadata that is developed in furtherance of a Project and relates to environmental characteristics, or use by wildlife, of any offshore, nearshore or onshore areas, as well as any data sponsored or developed by a contract awardee relating to the potential impacts of the construction, operation, or decommissioning of a Project on the environment and wildlife of such areas (separately and collectively, "Site and Environmental Data"). Contract awardees will be required to provide NYSERDA, within 90 days of contract execution, a "Data Availability Plan" detailing how Site and Environmental Data will be made available on an ongoing basis as soon after collection as is practicable for use by third parties in decision making around adaptive management. The "Data Availability Plan" must follow the guidelines in [Wildlife Data Standardization and Sharing: Environmental Data Transparency for New York State Offshore Wind Development](#). The Plan must include commitments to submit raw data to appropriate database(s) as soon as feasible, but not more than two years, after internal QA/QC. All data should include comprehensive metadata using Federal Geographic Data Committee standards, or others, as appropriate. Data typically classified as proprietary, such as met-ocean data and geophysical/geotechnical data, will not be considered Site and Environmental Data for purposes of this requirement.

Real- or near real-time reporting of marine mammal sighting and detections may be required and the timing of the availability of other data will be determined through consultations with DOS, DEC or

NYSERDA, either individually or as a group. Other environmental data must be made available as soon after collection as is reasonable, on an ongoing and routine basis as appropriate to the collection method and as discussed with DOS, DEC, NYDPS, or NYSERDA, either individually or as a group.

Contract awardees may choose to use existing publicly accessible data repositories and/or developer sponsored websites as venues to host the data and metadata. The intention of this requirement is to allow independent data users the opportunity to develop an understanding of the environmental characteristics of potential offshore wind energy development areas, including areas within which Projects may be located, and to independently assess the impacts of offshore wind energy development on those characteristics in a timely manner. Site and Environmental Data includes information that a contract awardee develops before, during, and after this RFP process, and includes, but is not limited to, information relating to the following topics:

1. Air quality and emissions
2. Water quality
3. Fish and fish habitats
4. Birds and bats
5. Marine mammals and sea turtles
6. Benthic communities

Proposers must agree, if awarded an Agreement, to (i) not unreasonably withhold site accessibility (including vessels buoys and other structures) for the advancement of third-party scientific and technological study, including installation of cellular capabilities, near-real time data sharing functionality, power sources for platform or benthic monitoring equipment, weather reporting equipment for increased navigational safety, use of other navigational aids beyond current regulations (such as AIS) and environmental sensors and (ii) work with state, federal and other stakeholders to assess the most appropriate means of third-party scientific monitoring plan development and implementation including addressing potential health and safety requirements.

### **2.2.9 Lighting Controls**

If awarded a contract, Proposers must agree to install lighting controls to minimize nighttime visibility. NYSERDA will require that any wind turbines installed by a contract awardee in furtherance of such Contract employ aircraft detection lighting systems (ADLS) in order to meet Federal Aviation Administration obstruction lighting requirements while minimizing lighting-related visual impact and impacts on avian species. In the event that ADLS systems do not meet Federal Aviation Administration Requirements or another technology produces a better outcome, the best available approved technology may be used upon consultation and approval of NYSERDA. Inclusion of ADLS, or an alternative approved by NYSERDA, in a contract awardee's COP submitted to BOEM will also be a requirement of any Contract.

### **2.2.10 Fisheries Mitigation**

Proposers must submit with their Proposal, and subsequently develop and implement a Fisheries Mitigation Plan, further described in Section 6.4.14 and Appendix D.

### **2.2.11 Environmental Mitigation**

Proposers must submit with their Proposal, and subsequently develop and implement an Environmental Mitigation Plan, further described in Section 6.4.15 and Appendix E.

### **2.2.12 Additional Fisheries and Environmental Measures**

- A. *Fisheries Compensation*. Proposers must agree, if awarded an Agreement, to follow the guidance developed by BOEM for the mitigation of impacts from offshore wind energy projects on commercial and recreational fishing communities as further described in its November 22, 2021 Request for Information on Reducing or Avoiding Impacts of Offshore Wind Energy on Fisheries (<https://www.boem.gov/renewable-energy/request-information-reducing-or-avoiding-impacts-offshore-wind-energy-fisheries>).
- B. *Responsible Offshore Science Alliance and Regional Wildlife Science Entity Membership*. Each Proposer must agree, if awarded an Agreement, to become an active Advisory Council Member of Responsible Offshore Science Alliance and an active Caucus Member of the Regional Wildlife Science Entity in good financial standing. The Proposer may change or opt out of these memberships only with the prior approval of NYSERDA.
- C. *Noise Mitigation*. Each Proposer must agree, if awarded an Agreement, that the Project shall not commence activities that generate significant noise, including geophysical survey work and impact pile driving, during poor visibility conditions such as darkness, fog, and heavy rain, unless an alternative mitigation monitoring plan that does not rely on visual observation has been determined to be effective, to the extent compatible with practicability and worker safety.
- D. *Protected Species Observers*. At minimum, Proposers shall commit to following the Protected Species Observer Guidelines as outlined in NYSERDA's [Geophysical Survey Summary of Protected Species Measures \(2020\)](#) during all activities that generate significant noise, including geophysical survey work and impact pile driving.
- E. *Commercial Fishing Gear Loss*. The Proposer shall report the number and value of claims submitted, number and value of claims paid, and a general description of each incident and resolution in the Contract Quarterly Report.
- F. *Regional Collaboration*. Proposers must agree, if awarded an Agreement and requested by NYSERDA, to participate with NYSERDA in any multi-state or regional coordination and/or collaboration efforts.

### **2.2.13 Stakeholder Engagement Plan**

Proposers must submit with their Proposal, and subsequently further develop and implement a Stakeholder Engagement Plan, as further described in Section 6.4.15 and Appendix F. The Stakeholder Engagement Plan must include considerations for engagement with representatives of local environmental justice or otherwise Disadvantaged Communities. Proposers are strongly encouraged to reference the [Guiding Principles for Offshore Wind Stakeholder Engagement](#) published by NYSERDA.

#### **2.2.14 New York Jobs and Workforce Plan**

Proposers must submit with their Proposal, and subsequently further develop and implement a New York Jobs and Workforce Plan, as further described in Section 6.4.18.3 and Appendix H. It is strongly encouraged that Proposers review the latest [New York Clean Energy Industry Report](#).

#### **2.2.15 New York State Supplier Opportunity**

If awarded a contract, Proposers must agree to provide New York companies with the opportunity to offer to provide goods and services for which there is capability in New York State to developers, their contractors and other suppliers of the Project and optional Energy Storage. Proposer must communicate all opportunities for contracts with an anticipated contract value of \$2 million or greater not already committed at the time of offer submission to New York State companies registered to the [New York Offshore Wind Supply Chain Database](#) maintained by NYSERDA and for contracts with an anticipated contract value of \$1 million or greater not already committed at the time of offer submission to New York State Companies registered to the [MWBE Certified Database maintained by Empire State Development \(ESD\)](#) and the [Directory of New York State Certified Service-Disabled Veteran Owned Business \(SDVOB\)](#) maintained by the Office of General Services (OGS) provided to contract awardees, except for the provision of goods and services that cannot practically be performed by the New York State supply chain at such time. Developers, their contractors and other suppliers are encouraged to reference and review these databases regardless of the contract value.

Proposer must agree to consult the New York Offshore Wind Supply Chain Database, the ESD MWBE Database, and the OGS SDVOB Database for sub-contracting goods and services associated with Project development, construction, maintenance and operations. Proposers must agree to undertake efforts to maximize contract and subcontract opportunities for MWBEs and SDVOBs. Proposers shall include within their Stakeholder Engagement Plan a section outlining their outreach efforts and their strategy to enhance the participation of New York companies, including MWBE and SDVOB firms in the renewable energy sector.

If selected for an award, Proposer will be required to report on New York State Supplier Opportunity activities for direct contracts and for sub-contracts associated with the Project as a part of the progress reports to be provided under Section 6.02 of the Agreement. The Proposer shall agree to utilize the New York Offshore Wind Supply Chain Database as maintained by NYSERDA or its designee on an ongoing basis and as it may be updated from time to time. Reporting would cover the opportunity and associated marketing through the Supply Chain Database. Proposers must agree to report commitments and expenditures to MWBE and SDVOB firms on a quarterly basis in an electronic format designated by NYSERDA.

## **3 NON-PRICE EVALUATION**

### **3.1 Overview**

The Scoring Committee will evaluate Proposals to determine whether they meet each of the eligibility requirements defined in Section 2.1. Proposals that fail to meet these requirements will be ineligible for an award. Proposals that meet the eligibility requirements will be scored and ranked with respect to three components as defined in the Offshore Wind Orders.

NYSERDA will employ a scoring system that weights price and non-price factors, for a total of 100 points, as follow:

1. Project Viability: 10 points – Non-Price Evaluation (Section 3.2)
2. New York Economic Benefits: 20 points – Non-Price Evaluation (Section 3.3)
3. Offer Prices: 70 points – Price Evaluation (Section 4.4)

The Scoring Committee will award points for the non-price evaluation components of each Proposal (Project Viability and New York Economic Benefits).

### **3.2 Project Viability**

The Project Viability evaluation considers a series of factors contributing to the Project's overall success and whether the proposed Project can reasonably be expected to be in service on or before the proposed Commercial Operation Date(s).

To maximize the score received under this scoring component, Proposers must provide evidence that Project development plans are sufficiently mature, technically and logistically feasible, that Proposers have sufficient experience, expertise, and financial resources to execute the development plans in a commercially reasonable and timely manner, that the proposed Project can be developed in a manner which is sensitive to ocean users and coastal communities, and that Proposers consider the goals of the New York Climate Act in certain elements of their Project design and development stages as prescribed in Sections 3.2.1 through 3.2.15. Consistent with the terms of the Offshore Wind Orders, receipt of a score of zero for Project Viability will render the Project unviable overall and result in rejection of the Proposal. Viability concerns raised by the Scoring Committee may be the subject of counteroffers by NYSERDA proposing modifications to a Proposal in order for the Proposal to avoid a zero score.

Specific categories to be evaluated by the Scoring Committee include:

#### **3.2.1 Permitting Plan and Status**

Proposers must demonstrate a complete, credible and achievable plan for successfully obtaining necessary permits within the proposed Project milestones. All required federal, regional, state and local permits must be identified, and the status of each permit must be provided. Proposers must also provide information describing the extent to which support or opposition to the Project may materially affect the Project's permitting approval timelines.

### **3.2.2 Financing Plan**

Proposers must demonstrate that they have sufficient scale, financial resources, and insurance for developing the Project, and a credit rating sufficient for Project development. Proposers must demonstrate that they have completed sufficient due diligence regarding the formulation of a credible Project Financing Plan. A demonstration of recent experience in successfully financing like technology of comparable size and complexity will be viewed favorably.

The Financing Plan should also describe how climate-related physical risks across the different components and assets classes of the Project have been considered and what, if any, measures and design and construction features could be taken to strengthen the ability to handle shocks and stresses and add value to the Project. Assets include: Primary Components of an offshore wind turbine and its foundation; inter-array cables; offshore substation; export cables including the cable landings where the ocean-based cable systems transition to underground land-based systems; transformer and converter stations; meteorological masts; and land-side transmission assets, including interconnection to the grid.

### **3.2.3 Developer Experience**

Proposers must demonstrate that the development team has sufficient relevant experience and expertise to successfully finance, develop, construct, operate and maintain its Project. Financing, development, and construction experience can be established by demonstrating that principals of the development team have undertaken relevant project management responsibilities, including: (1) successful development, construction, and operation of a similar type of project within or outside of the U.S.; or (2) successful development, construction, and operation of one or more projects of similar size or complexity or requiring similar skill sets, including experience in New York State.

### **3.2.4 Proposed Technology**

Proposers must demonstrate that the technology it proposes to use is technically viable, and that the Primary Components can be procured to meet the required development schedule. Technical viability may be demonstrated by showing that the technology is commercially available, is reasonably expected to be commercially available prior to the commencement of Project construction or has been used successfully on other similar projects in commercial operation within or outside the U.S. The Proposal must also provide a reasonable timeline and plan for procuring the Primary Components from identified suppliers.

#### **3.2.4.1 Resiliency**

Proposers must clarify what climate impact assumptions, including both direct and indirect impacts, have been used to inform the selected technologies, designs, construction and operational features of the Project, including both offshore and onshore assets. This could include use of scenario exercises to identify potential system weaknesses that could result in cascading negative impacts. Proposers must clarify how specific features strengthen any or all of the following attributes of resilience: robust, integrated, redundancy, flexibility, social equity and inclusion. Proposers may also demonstrate how selected resilience features provide value to the project. Proposers are encouraged to reference the [Offshore Wind Climate Adaptation and Resiliency Study](#).

### **3.2.5 Development and Logistics Plan**

Proposers must demonstrate the logistical viability of the Project through a construction plan covering the necessary specialized equipment (*e.g.*, vessels), and applicable maritime law (*e.g.*, Jones Act compliance) to complete Project development. Proposer must demonstrate that it has a plan to secure marine terminal facilities necessary for staging and deployment of major components to the Project site

### **3.2.6 Interconnection and Delivery**

Proposer must provide a detailed plan and a reasonable timeline to complete the interconnection process with NYISO for direct interconnection(s) to the NYCA and, if applicable, for any other interconnecting authority (Regional Transmission Organization, “RTO,” or Independent System Operator, “ISO”) in an adjacent Control Area, *i.e.*, ISO-NE or PJM. The timeline must be consistent with meeting the overall development schedule and proposed Commercial Operation Date(s). Proposer must detail the status (and results, if applicable) of interconnection application and studies, as further described in Section 6.4.8. In order to evaluate the interconnection status and deliverability of a Project, as stated in Appendix B, Proposer must grant to NYSERDA the right to share with NYISO, adjacent RTOs, and owners of transmission facilities, as applicable, confidential information about any Proposal submitted by the Proposer. Proposer must also authorize NYISO, adjacent RTOs, and owners of transmission facilities, as applicable, to release information to NYSERDA that may otherwise be considered confidential under the relevant rules or policies of such organizations. NYSERDA understands that certain aspects of the confidential information that may be requested from NYISO, adjacent RTOs, and owners of transmission facilities may be deemed to be Critical Energy Infrastructure Information (CEII). NYSERDA will adhere to all requirements with respect to access to and distribution of CEII information as may be required by NYISO, adjacent RTOs, or owners of transmission facilities. Proposers may be required to cooperate with NYSERDA and to execute waivers or other documentation necessary for NYSERDA to acquire such information from the relevant RTO. In submitting a Proposal via this RFP, the proposer affirms NYSERDA’s right to engage with the NYISO, adjacent RTOs and owners of transmission facilities, as applicable to support the evaluation of its Proposal.

NYSERDA is seeking ORECs from Offshore Wind Generation Facilities that will deliver their energy to an identified Delivery Point within NYCA over the Contract Delivery Term, in accordance with the Electricity Delivery Requirements contained in Article III of the Agreement. Proposers are obligated to demonstrate how this requirement will be satisfied. NYSERDA will not be responsible for any wheeling charges or any other transmission or administrative related cost levied by an adjacent Control Area associated with delivery of energy to the NYCA, other than payment of the contractually determined OREC Price.

Project eligibility requirements do not preclude the option to propose multiple Injection Points in NYCA as may be necessary to reasonably minimize interconnection costs. Proposals must further provide detail regarding the available capacity, at the time of submission, of the proposed Injection Point(s).

Projects must utilize HVDC technology for radial interconnection lines and must meet the Meshed Ready requirements outlined in Appendix G. Proposers must demonstrate that a Project’s interconnection and deliverability are aligned with New York State Climate Act goals to expand its offshore wind portfolio to at least 9 GW by 2035 and achieve economy-wide decarbonization by 2050. As such, the

interconnection and deliverability plan should consider cable routing and ocean footprint that will minimize risks and impacts and support the eventual delivery of at least 6 GW of offshore wind into New York City. Proposers are encouraged to consider system wide benefits achieved through planned interconnection or transmission upgrades.

It is possible that more than one Proposer may select the same Delivery Point, resulting in mutually exclusive Proposals if the Delivery Point cannot accommodate both Proposals. Accordingly, NYSDA strongly encourages Proposers to submit at least one Alternate Proposal that reflects an alternative Delivery Point and an Alternate Proposal which includes Interconnection Cost Sharing.

### **3.2.7 Repurposing Downstate Fossil Fuel Generation Infrastructure**

Fossil Repurposing Proposals must satisfy the eligibility requirements set forth in Section 2.1.7 and demonstrate that they can be implemented, including obtaining any applicable regulatory approvals, on the proposed timeline. Fossil Repurposing Proposals must demonstrate how the repurposing improves the timeline, costs or technical viability of the Proposal as a whole (compared to reasonably available alternative approaches) and aligns with the Project's Commercial Operation Date.

Fossil Repurposing Proposals will also be evaluated more favorably to the extent that they demonstrate that the proposed re-use of existing electric infrastructure will advance the Climate Act's goals of cost-effective buildout and integration of offshore wind, Energy Storage, and other renewable energy infrastructure into the electric system.

Fossil Repurposing Proposals may, but are not required to, be linked to the Project's interconnection plan. For example, a Fossil Repurposing Proposal could propose to repurpose available space at a downstate fossil-based electric generation facility for siting energy transition activities that do not interact with the electric grid such as O&M activities, offices or training facilities.

The viability of the Fossil Repurposing Proposal will be evaluated by the Scoring Committee, taking into account analysis that may be conducted by the Scoring Committee, Specialist Reviewers and/or NYSDA Consultants. The Scoring Committee, NYSDA and/or Specialist Reviewers may request further information from the Proposer and may require adjustments to or commitments in connection with the Fossil Repurposing Proposal that are required for the Scoring Committee to evaluate viability.

Given the effect of future uncertainty on the question of viability, NYSDA encourages Proposers to consider inclusion of contingency plans in case some or all of the Fossil Repurposing Proposal is delayed or unable to be completed prior to the Project's commencement of operations (for example, if regulatory approvals are not obtained by such time) and/or submission of an Alternate Proposal which does not include a Fossil Repurposing Proposal.

#### **3.2.7.1 Fossil Repurposing Proposals that Include Affected Resources**

The Scoring Committee's review of the viability of any Fossil Repurposing Proposal that includes an Affected Resource will focus on the impact of the proposed change in generation profile or deactivation on the expected timeline of implementing the Proposal as a whole. For Proposals that rely on such changes or deactivations as a critical element of achieving the overall Proposal timeline, the Scoring

Committee will closely scrutinize the reasonableness of the proposed timeline for any such changes or deactivations.

As noted in Section 2.1.7, implementation of any Fossil Repurposing Proposal that includes an Affected Resource will be subject to determination by NYISO and any other applicable regulatory authorities that the change in generation profile or deactivation does not violate reliability or other Generation Rules, as set forth in Section [x] of the Agreement. Accordingly, in evaluating the viability of any Fossil Repurposing Proposal that includes an Affected Resource, the Scoring Committee will consider the reasonableness of the timeline for obtaining these determinations from applicable regulatory authorities.

In the context of rapidly evolving energy infrastructure and technology, it is impossible to predict with certainty what the state of the electric system will be at the time the Fossil Repurposing Proposal is scheduled to be implemented and whether or not the Generation Rules in place at such time will allow an Affected Resource to change its operational profile or deactivate at the time contemplated in the Proposal. Recognizing this uncertainty, and in order to assess the reasonableness of proposed timelines to implement changes in operational profile and deactivation in different Proposals on the same basis, the Scoring Committee will make uniform assumptions about the future state of the electric system based on a reasonable assessment of the likely development timelines for new large scale renewable energy generation and storage projects contracted with NYSERDA and other New York State entities and relevant electric transmission and distribution system upgrades.

To facilitate evaluation, any Fossil Repurposing Proposal that includes an Affected Resource should:

1. Provide a detailed and specific description of and timeline for the repurposing of the Affected Resource, including any expected conditions precedent to implementation.
2. Identify whether the Affected Resource is subject to the DEC Peaker Rule. If it is, the Fossil Repurposing Proposal should demonstrate how the timeline for implementation is consistent with DEC Peaker Rule requirements. If it is not, the Fossil Repurposing Proposal should include an expected timeline for obtaining regulatory reviews and approvals from the NYISO and any other applicable regulatory authorities for the proposed change to operating profile or deactivation. Proposers are encouraged to reference [the NYISO Reliability Planning Process Manual](#).
3. Include any electric system studies or assumptions relied on in developing the timeline for the repurposing of the Affected Resource, including consideration of the potential for reliability mitigation measures to be required. Proposers are encouraged to reference the [New York State Power Grid Study](#), [the NYISO Gold Book](#) and Proposed Generator Status Changes to comply with the DEC Peaker Rule.

### **3.2.8 Proposed Commercial Operation Date(s)**

Proposer must provide a proposed Commercial Operation Date, or Commercial Operation Dates in the case of a multi-phase Project, accounting for the permitting, financing, interconnection, and other development milestones associated with the Proposal.

The Proposal must demonstrate that the Project can reasonably be permitted, developed, financed, and constructed within the proposed Project schedule. Proposers must submit reasonable milestones that are achievable, thereby placing the Project on an achievable milestone schedule to support the proposed Commercial Operation Date(s).

Proposals with an earlier proposed Commercial Operation Date for the first (or only) phase of the Project may receive higher Project Viability scores so long as the proposed Commercial Operation Date is determined to be reasonable and is supported by the overall Proposal, including the Project Schedule submitted by Proposers in accordance with Section 6.4.12 of this RFP.

### **3.2.9 Fisheries and Environmental Mitigation Plans**

Proposers must provide a Fisheries Mitigation Plan as described in Appendix D that demonstrates a full understanding of the potential impact of the Offshore Wind Generation Facility on commercial and recreational fishing and provides a feasible plan to mitigate such impacts. Proposers must also provide an Environmental Mitigation Plan as described in Appendix E that demonstrates an understanding of environmental impacts during construction and operation of the Offshore Wind Generation Facility and provides a feasible plan to mitigate such impacts.

Proposals that commit to the use of acoustically “quiet” foundation design or foundation installation technology solutions that reduce acoustic stress to sensitive marine life, beyond the current regulatory standards, may receive higher Project Viability scores.

Proposers with a past performance of superior stewardship with respect to environmental and/or fisheries resources affected by offshore wind development or development of other projects with similar environmental and/or fisheries impacts may receive higher Project Viability scores.

### **3.2.10 Stakeholder Engagement Plan**

Proposers must provide a Stakeholder Engagement Plan as described in Appendix F that should detail, to the extent practical, specific measures the Proposer will take to foster collaboration and cooperation among Project developers, contractors and suppliers, impacted communities, marine users, labor organizations, State and local officials and other stakeholders.

Stakeholder Engagement Plans will be appended to the executed contracts of awarded Projects. The plan template will require developers to describe their approach to key elements of stakeholder engagement, similar to current Fishing and Environmental Mitigation Plans.

Stakeholder Engagement Plans will be made publicly available upon Proposal submission to NYSED's future OREC solicitations and should therefore utilize language accessible to the public that demonstrates an understanding of New York's diverse stakeholders, unique coastal and marine resources, and local communities.

Proposers awarded a contract must consult with NYSED before and during the implementation of their Stakeholder Engagement Plans and will be required to update NYSED on their stakeholder engagement progress and plans in their quarterly progress reports.

Thoughtful Stakeholder Engagement Plans should include:

- The Proposer's overall approach to stakeholder identification and outreach with a comprehensive analysis depicting a solid understanding of the communities and people affected by the Project, with attention to how the proposer will work with Disadvantaged Communities to understand their needs and priorities, relative to the project
- How the Proposer intends to define and track the project and stakeholder engagement goals in collaboration with stakeholders.
- Options for engagement activities and potential partnerships with community members, institutions, local businesses, and nonprofit organizations.
- The Proposer's approach to decision-making and identifying opportunities for collaborative stakeholder decision-making throughout the development process.
- The Proposer's plan for providing consistent follow-up with the stakeholders they have engaged to make clear how their input was considered and its impact on the project.
- The Proposer's plan to describe and inform stakeholders on the Project's benefits related to local economic development, reduced energy burden, avoided health costs, added climate resiliency, avoided environmental costs, added environmental benefits, and economically disadvantaged and Environmental Justice community participation.
- The Proposer's plan to maximize opportunities for MWBE and SDVOB contractors and subcontractors in project planning, design, construction, procurement, and operations and maintenance activities.
- Any innovative or economic development plans to enhance the participation, build capacity and foster the growth and development of MWBE and SDVOB firms in the renewable energy sector.
- Stakeholder Engagement Plans may also comprise community benefits agreements and opportunities to build not only community opportunity and capacity in regard to the Project's development, construction, and operations but also opportunities to build community equity in a project and where all such community expenditures would constitute Incremental Economic Benefits to support a project's evaluation under this RFP (see Section 3.3).

Proposers with a past performance of cultivating productive relationships with stakeholders in the offshore wind industry or industries with similar types of stakeholders and demonstrated excellence in stakeholder reputation, in New York or in other markets, may receive higher Project Viability scores.

### **3.2.11 Visibility and Viewshed Impacts**

Proposers must address a Project's visibility from shore as described in Section 6.4.17, with more stringent approaches expected for Projects proposed to include turbines less than 20 statute miles from the nearest shoreline point.

### **3.2.12 Energy Resource Assessment**

The Proposal must demonstrate the credibility of the energy resource assessment and production profile, sufficient to demonstrate the Project's financeability and to support the purported environmental and reliability benefits.

### **3.2.13 Energy Storage**

Any Proposal that includes Energy Storage must describe the development plan – including permitting, financing, and interconnection status and timelines for each – for the Energy Storage and identify prior experience in developing Energy Storage. The Proposer must identify the proposed Energy Storage interconnection point, and if different than the Offshore Wind Generation Facility Injection Point(s), describe what rights the Proposer has to the Energy Storage interconnection point and provide a detailed plan and timeline for the acquisition of any additional rights necessary to utilize the Energy Storage interconnection point. Proposers must describe the proposed Energy Storage technology, expected useful life, how Proposer intends to deploy Energy Storage, provide an Energy Storage operation plan, and address community and stakeholder engagement and carbon accounting and embodied carbon. Proposers should also provide information that demonstrates the reliability, resilience, economic, and decarbonization benefits to the electric grid of including Energy Storage in the Proposal. Energy Storage, through strategic siting and grid location in Zone J or K, has potential to reduce carbon emissions through displacing fossil fuel generation.

In support of the outcomes envisioned by the Climate Act including energy storage goals of 3 GW by 2030, the Public Service Commission has authorized NYSERDA to award additional scoring credit to Proposals that include Energy Storage. These projects will also support the new statewide 6 GW storage target announced by Governor Hochul in the 2022 State of the State address.

### **3.2.14 Offsetting Carbon Emissions**

Through this solicitation, NYSERDA seeks to actively support the outcomes envisioned by New York’s State’s nation-leading climate legislation, the Climate Act, including its target of reducing greenhouse gas emissions 85% by the year 2050. Proposals should discuss how the Project will offset emissions in further contribution toward New York State’s decarbonization goals, whether through Fossil Repurposing Proposals, integration of Energy Storage in strategic grid locations that support system reliability, or otherwise.

Claims that Fossil Repurposing Proposals reduce carbon emissions will be considered in the context of how the relevant fossil fuel generation is reasonably expected to be replaced. For example, if the repurposing of a fossil fuel plant is reasonably expected to result in additional demand on other down-state fossil generators, claims that the arrangement would reduce carbon emissions may not be scored favorably.

### **3.2.15 Embodied Carbon**

NYSERDA requires that Proposers describe the efforts undertaken by the Proposer to better understand and consider carbon intensity in design, sourcing and construction, and the steps that have been taken to minimize embodied carbon, from the proposed Project. Proposals must also describe the process by which the Proposer will account for embodied carbon on an ongoing basis as the Project evolves. This could include the sourcing and manufacturing of Primary Components such as platforms, turbines, cables, and substations, but should also consider associated activities such as construction, operation & maintenance, and decommissioning. This could also include opportunities to support carbon mitigation efforts in collaboration with New York State manufacturing sources.

### **3.3 New York Economic Benefits**

Inclusion of the New York Economic Benefits evaluation criteria reflects the importance of positive impacts of this OREC procurement on New York State's economy as well as the long-term benefits that a mature, locally-based industry can provide.

In this solicitation, New York is seeking economic benefits associated with the development of a proposed Project, optional Energy Storage, and other clean energy and decarbonization investments. Investments may include pilot and demonstration projects that complement proposed offshore wind Projects, including innovative storage projects that are not otherwise eligible as Energy Storage. NYSERDA encourages Proposals that provide economic benefits from electrolytic hydrogen playing a role in achieving New York's Climate Act obligations. These may include demonstration projects that utilize hydrogen in the energy, transportation, building, or industrial sectors, and proposals that advance the maturation of a hydrogen supply chain in New York State.

Economic benefits will be evaluated for purposes of allocating up to a maximum of 20 points. Further detail regarding Economic Benefits Plan submission and evaluation is set forth below and in Appendix C.1.

#### **3.3.1 Prioritizing Disadvantaged Communities**

Through this solicitation, NYSERDA seeks to actively support designing the relevant investments made as a result of the awarded Project(s) to provide benefits to and reduce burdens on Disadvantaged Communities in accordance with the 2020 CES Order. NYSERDA will favorably evaluate economic benefits to New York State that will be realized in part or in full by Disadvantaged Communities.

All Proposers are required to fully detail the benefits and burdens associated with the impacts of the Project's development on any hosting and/or proximate Disadvantaged Communities, as identified through engagement with Disadvantaged Communities, and in accordance with the most recent relevant guidance per the [Climate Action Council](#) and [Climate Justice Working Group](#). Benefits of project development may include establishment of education and training opportunities, the hiring of residents from Disadvantaged Communities, or other investments identified as priorities for the community.

All Proposers are expected to explore how they can design their investments to provide benefits to and reduce burdens on Disadvantaged Communities in accordance with the 2020 CES Order.

Such commitments to Disadvantaged Communities will be given greater weight in New York Economic Benefits scoring.

#### **3.3.2 New York Jobs and Workforce Plan**

Proposers must provide a New York Jobs and Workforce Plan. Proposers shall completely and sufficiently respond to specific prompts and utilize resources as listed in the New York Jobs and Workforce Plan in Appendix H. Proposers must provide the associated data in the Offer Data Form.

### **3.3.3 Economic Benefits Categories**

Each Proposal's Economic Benefits Plan will be evaluated for Economic Benefits scoring purposes based on the Economic Benefits within the following three categories:

- Category 1: Incremental Economic Benefits associated with the Offshore Wind Generation Facility (including Investment Plan Related Purchases) and any associated investments (such as Energy Storage) other than in Investment Plan Supply Chain Facilities;
- Category 2: Incremental Economic Benefits associated with development and construction of Investment Plan Supply Chain Facilities; and
- Category 3: Other Economic Benefits not associated with Investment Plans that the Proposer reasonably expects to accrue but does not include in Category 1 and therefore are not included as contractual commitments.

Separately, the investment worthiness of each Investment Plan will be reviewed by the Investment Scoring Committee based on Economic Benefits in Category 2 above and the following additional categories, which will not be included in evaluation of the Economic Benefits Plan for Economic Benefits 20 points scoring purposes:

- Category 4: Incremental Economic Benefits associated with operation and maintenance of the Investment Plan Supply Chain Facility (this category shall be incorporated in the Investment Plan funding agreement but not the Agreement); and
- Category 5: Other Economic Benefits that the Proposer reasonably expects to accrue in connection with New York State Funding of the Investment Plan but are not included in Category 2 or Category 4 and therefore are not included as contractual commitments in the Agreement or the Investment Plan funding agreement.

**Proposers should note that the definitions of these Economic Benefits Categories have changed from the Category definitions used in ORECRFP20-1.**

### **3.3.4 Economic Benefits Evaluation Considerations**

In conducting its evaluation, the Scoring Committee will consider the detailed descriptions and supporting documentation associated with each claim provided in the Economic Benefits Plan submitted with the Proposal. For evaluation purposes, greater weight will be attributed by the Scoring Committee to those expenditures that are firm, credible and that create persistent and sustainable institutional and/or worker capabilities in New York State.

Expenditures that can enable New York based manufacturers and suppliers' participation in the growing regional offshore wind industry as early as possible will be awarded additional scoring credit. Proposers are also encouraged to recognize NYSERDA's commitment to foster the economic development of New York MWBE and SDVOB suppliers or service providers in the renewable energy industry and clean energy economy. In evaluating proposals, the Scoring Committee will favorably consider programs that invest in the development of local businesses and provide quantifiable metrics to assess the Proposer's capacity building efforts, including number and value of contracts completed, number of employees,

wages/salaries paid, increase in trade specialties, customer base, and increased revenue. Proposers are encouraged to expand these indicators or develop alternative metrics that provide sustainable and verifiable growth indicators relative to the development of the offshore wind and clean energy industry.

The Scoring Committee will also award additional scoring credit to expenditures that are expected to lower the cost of future offshore wind projects in both New York State and the region and other long term economic benefits including job creation and job retention in existing manufacturing, supply chain or associated industries that can support offshore wind or clean energy transition activities. Proposers should specifically describe commitments to existing workforce retraining, and engagement of New York's skilled labor force in accord with Appendix H.

As noted above, Proposers are encouraged to recognize NYSERDA's stated goals of cultivating long-term benefits that a mature, locally-based industry can provide. Economic benefits that aim to deliver more than 20 years of benefits to New York's economy will therefore be given additional scoring credit to reflect those priorities.

Incremental Economic Benefits may accrue from offshore wind industry activities or may include benefits resulting from other clean energy economy or energy transition projects as further described in Appendix C.1. Proposals that offer Incremental Economic Benefits ascribable to a Fossil Repurposing Proposal may receive additional Economic Benefits scoring credit. In order to be considered for such scoring credit, the Fossil Repurposing Proposal must demonstrate the ability to maintain or augment benefits otherwise lost due to the Fossil Repurposing Proposal. Such demonstration must address supporting the transition of existing plant workers through retraining and/or retention and further described in Appendix H and may also address preservation of all or a portion of existing PILOT agreements over the Contract Tenor.

To facilitate a standardized comparison by the Scoring Committee among Proposals with larger or smaller Offer Capacities, for Categories 1 and 2 the total of such adjusted claimed expenditures will be unitized by dividing each Proposal's eligible claims by the Offer Capacity set forth in the Proposal.

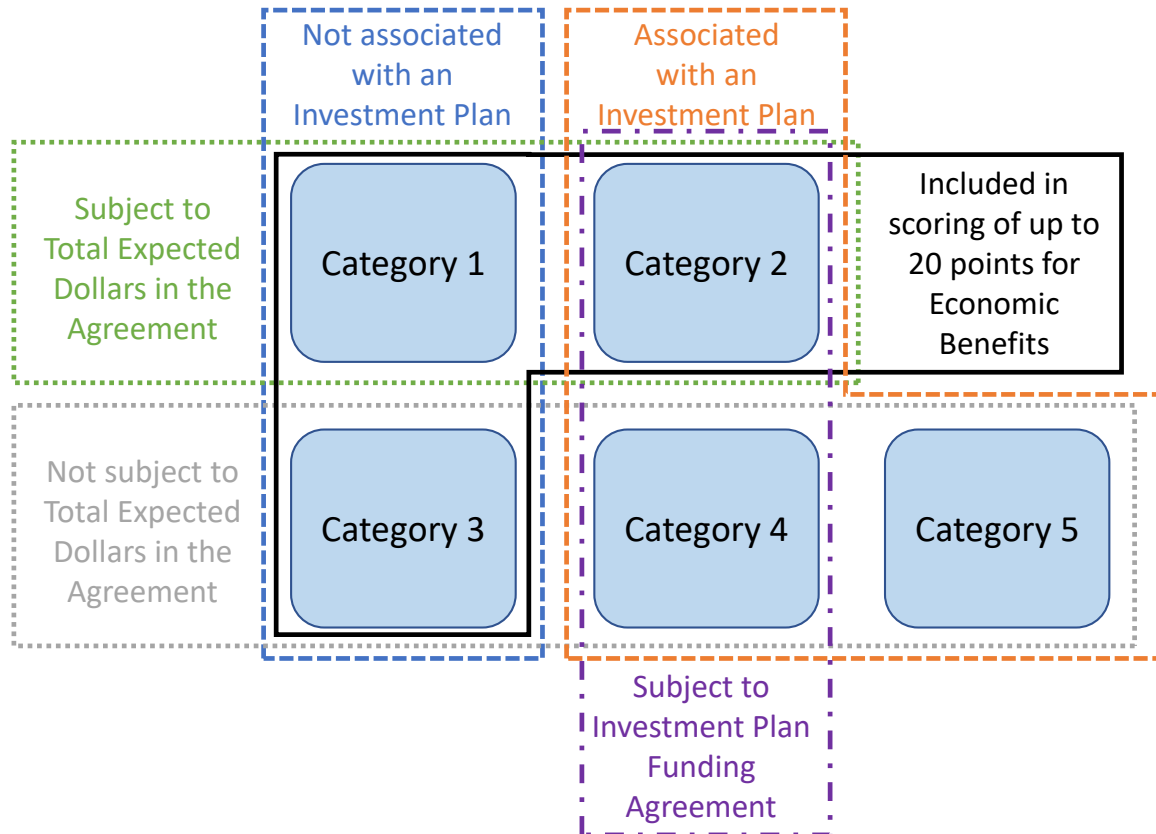
Economic Benefits in Categories 1 and 2 will be given greater weight in scoring due to their inclusion in the Agreement as contractual commitments.

In Category 3, Proposals will be assessed on the scale of the likely impact of the proposed activities and the firmness of the commitments. The Scoring Committee will also recognize and weigh benefits which have long term impacts to reduce cost of electricity to ratepayers or offer decarbonization benefits, particularly in communities disproportionately affected by adverse effects of fossil fuel generation. Proposals will be scored on the number, range, maturity, firmness, and credibility of the commitments being made and the magnitude of the potential benefits. In awarding points in Category 3, the Scoring Committee will consider the:

1. nature, quantity and importance of the proposed claims;
2. effectiveness of the approach to developing the proposed claims;

3. supporting documentation to substantiate the nature, firmness and maturity of the commitments, including, for example, timing, letters of support, memoranda of understanding, letters of intent, option agreements, or binding contracts;
4. magnitude of potential benefits of proposed claims on a protracted time frame, for example, activities that directly or indirectly reduce emissions, contribute to declining energy costs to ratepayers, or otherwise support a clean energy economy and clean energy transition.

Figure 1: Diagram of economic benefits contemplated within ORECRFP22-1



## 4 OFFER PRICING STRUCTURE AND PRICE EVALUATION

The offer price required for each Proposal must conform to either the Index OREC or Fixed OREC pricing structure, consistent with Section 2.1.4. Under both pricing structures, the Proposer will submit a level nominal offer price for each Contract Tenor offered. If a Proposal includes two Offshore Wind Generation Facilities with different Delivery Points, a separate Index OREC Strike Price or Fixed OREC Price may be submitted for each.

The pricing structure offered in the Proposal, whether the Index OREC or the Fixed OREC, shall remain the Applicable OREC Price Method for the entire Contract Delivery Term unless and until such Index OREC Price is invalidated, as further described in Section 4.01 of the Agreement.

### 4.1 OREC Products Pricing

#### 4.1.1 Fixed OREC Pricing

Under the Fixed OREC pricing structure, the Monthly OREC Price is equal to the Fixed OREC Price. For evaluation purposes, the Fixed OREC Price for Proposals that include Interconnection Cost Sharing will be adjusted upward, if necessary, using the Interconnection Cost Sharing calculations described in Section 4.3 based on Specialist Reviewer assessment of the Proposal. If a Proposal that includes Interconnection Cost Sharing is selected, the Fixed OREC Price paid to the Project will be adjusted upward or downward, if necessary, using the Interconnection Cost Sharing calculations described in Section 4.3 based on the Project's actual NYISO interconnection cost.

$$\text{Monthly OREC Price} = OP^{\text{Fixed}}$$

where:

$$OP^{\text{Fixed}} = \text{Fixed OREC Price (\$/MWh)}$$

#### 4.1.2 Index OREC Pricing

Under the Index OREC pricing structure, the Monthly OREC Price varies monthly during the Contract Delivery Term and is calculated according the following equation:

$$\text{Monthly OREC Price} = OSP^{\text{Index}} - REP - (RCP \times MF)$$

where:

$$OSP^{\text{Index}} = \text{Index OREC Strike Price (\$/MWh)}$$

$$REP = \text{Reference Energy Price (\$/MWh)}$$

$$RCP = \text{Reference Capacity Price (\$/MWh)}$$

$$MF = \text{Mitigation Factor (\%), defined in Section [x] of the Agreement}$$

For evaluation purposes, the Index OREC Price for Proposals that include Interconnection Cost Sharing will be adjusted upward, if necessary, using the Interconnection Cost Sharing calculations described in

Section 4.3 based on Specialist Reviewer assessment of the Proposal. If a Proposal that includes Interconnection Cost Sharing is selected, the Index OREC Strike Price used for settlement will be adjusted upward or downward, if necessary, using the Interconnection Cost Sharing calculations described in Section 4.3 based on the Project's actual NYISO interconnection cost.

NYSERDA will calculate the Reference Energy Price and Reference Capacity Price for each month according to Section 4.03 of the Agreement. The Monthly OREC Price will be calculated during a settlement period following the conclusion of each month according to Section 4.04 of the Agreement.

The calculation of each month's Reference Capacity Price will be based on a Reference UCAP Price, as defined in Section 4.03 of the Agreement. The Reference UCAP Price is converted to its \$/MWh equivalent, the Reference Capacity Price, through the following equation:

$$RCP = \frac{RUP \times UPF \times IC \times 1,000}{MDE}$$

where:

*RUP* = Reference UCAP Price (\$/kW-month)

*UPF* = UCAP Production Factor (decimal fraction)

*IC* = Installed capacity (ICAP) of the generator (MW)<sup>8</sup>

*MDE* = Metered delivered energy

*1,000* = kW to MW conversion factor

The UCAP Production Factor multiplied by the Project's installed capacity is a proxy for the NYISO UCAP in MW. The UCAP Production Factor will be specified separately for a Winter Capability Period (November through April) and a Summer Capability Period (May through October). A default UCAP Production Factor of 38% for both capability periods may be used, consistent with current guidance from the NYISO's Installed Capacity Manual.<sup>9</sup> Proposers have the option to replace these default values with Proposal-specific UCAP Production Factors that shall be constant throughout the Contract Delivery Term. Any winter and summer UCAP Production Factor values between 0 and 1 are allowed.

NYSERDA is actively monitoring NYISO's proposed changes to capacity accreditation described in the petition filed with the Federal Energy Regulatory Commission on January 5, 2022 (Docket No. ER22-772). Following the finalization of any new NYISO rules on capacity accreditation but before such rules go into effect, NYSERDA intends to take action, potentially including petitioning the PSC, to modify the settlement formula in all Index REC and Index OREC contracts in such a manner as to preserve the

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<sup>8</sup> Offer Capacity for evaluation purposes, Operational Installed Capacity for settlement purposes.

<sup>9</sup> NYISO Installed Capacity Manual, published December 2021.

[https://www.nyiso.com/documents/20142/2923301/icap\\_mnl.pdf/234db95c-9a91-66fe-7306-2900ef905338](https://www.nyiso.com/documents/20142/2923301/icap_mnl.pdf/234db95c-9a91-66fe-7306-2900ef905338)

economic expectations of the Parties in accordance with the change of law provisions set forth in such contracts.

## **4.2 Settlement Mechanism**

To calculate the amount payable to Seller, the Monthly OREC Price will be multiplied by the number of ORECs produced from Actual Eligible Production in the prior month and delivered into NYSERDA's NYGATS account. These payments will be calculated after the close of each calendar month during the Contract Delivery Term. During each month's settlement period, NYSERDA will only purchase ORECs such that the cumulative ORECs purchased in the active Contract Year do not exceed the Annual OREC Cap. The Annual OREC Cap is 1.15 multiplied by the P10 Annual Exceedance Estimate, which may be adjusted prior to Commercial Operation, per Section 2.01(e) of the Agreement.

In the case of a negative Monthly OREC Price, the associated payment from Seller to NYESRDA will not be cash-settled on a month-by-month basis. Instead, the amount owed from Seller to NYSERDA will accrue as a debit to be deducted from each subsequent monthly payment until fully recovered. If, due to sustained negative OREC prices, any such debit goes unrecovered for twelve months, Seller shall pay the unrecovered amount to NYSERDA in cash as described in Section 4.05 of the Agreement.

### **4.2.1 Adaptations to Settlement Resulting from Future Tariff or Market Rule Evolutions**

OREC pricing and contract terms for this solicitation are based on a singular delivery point for Projects designed with radial interconnection and a Meshed Ready design. NYSERDA acknowledges the potential need for changes to the existing OREC settlement mechanism as a result of a Project being recommended for Meshed Network interconnection by the New York State Public Service Commission. NYSERDA agrees to implement changes to the OREC settlement mechanism, if and when such interconnections are confirmed, through Section [x] of the Agreement, which is designed to keep the Proposer financially "whole" following the implementation of a Meshed Network. Projects awarded in this solicitation will be part of New York's growing portfolio and will inevitably be part of an evolving transmission system, including the option to integrate offshore wind projects into a Meshed Network that supports potential multiple injections in Zones J and/or K.

As set forth in Section [x] of the Agreement, a Project's baseline financial condition prior to implementation of a Meshed Network transmission design will serve as the basis for going-forward financial adjustments to account for any conditions, positive or negative, strictly attributable to implementation of Meshed Network transmission, such as energy price optimization and/or capacity price reformation under then prevailing NYISO rules, among other things. Other factors, including technology design and operating conditions, as well as environmental, regulatory, and financial conditions, including capacity accreditation, that are not part of Meshed Network transmission cannot be invoked by the Proposer or NYSERDA to reopen price. Changes to the baseline condition attributable to Meshed Network implementation could support an adjustment to the Index OREC Strike Price or the Fixed OREC Price either on a periodic basis or on a one-time basis for the remaining OREC term, or, in lieu of such OREC Price adjustment, other financial compensation to keep the Proposer financially "whole" relative to the baseline condition.

To demonstrate that the Project has appropriately prepared for the potential implementation of a future Meshed Network transmission system, Proposer must clearly specify all Meshed Ready design components to be incorporated in the Project. These components should be reflected in the Index OREC Strike Price or Fixed OREC Price submitted by the Proposer in this solicitation, and must meet certain minimum standards as described in Appendix G. Consistent with NYSERDA's intent to keep Proposers financially whole upon implementation of a Meshed Network grid, NYSERDA will be prepared, at such time, to engage in negotiation of adjustments, which may include but are not limited to:

- Adjustments to the definition of monthly Reference Energy Price, higher or lower, to account for differential quantity of ORECs deliverable and the Delivery Point(s) in Zone J and/or Zone K. Such redefinition may include a possible new node at the offshore HVAC substation.
- Adjustments to the definition of monthly Reference Capacity Price, higher or lower, to account for changes in deliverable capacity quantity, and/or Delivery Point. Such redefinition would have to separate the effects of future changes in NYISO capacity market structure from changes that can be ascribable solely to Meshed Network implementation.
- Adjustments to the Index OREC Strike Price or the Fixed OREC Price, higher or lower, to account for changes in deliverable OREC quantity, changes in the Project's going-forward CapEx or OpEx for HVAC and HVDC systems associated with Meshed Network implementation.

On or before implementation of the Meshed Network transmission system, Proposers will be required to demonstrate to NYSERDA's satisfaction the basis for any adverse financial impact attributable to the Meshed Network grid. Such demonstration may require the Proposer to define the baseline financial pro forma used to support the Project's Index OREC Strike Price or Fixed OREC Price, including revenue and financial assumptions such as expected energy and capacity pricing and quantity, target levered, unlevered, pre-tax and after-tax return on investment, debt-to-equity ratio and tax treatment (e.g., ITC assumptions, treatment of depreciation and post-contract term revenues and expenses). To facilitate the goal of revenue neutrality, NYSERDA will examine the reasonableness of including the cost of all or a portion of the Proposer's risk management costs to lessen or avoid the impact of adverse market conditions in the wholesale energy and capacity markets administered by NYISO. If adaptations to the settlement mechanism resulting from implementation of Meshed Network transmission are warranted, NYSERDA will implement such changes as soon as practicable and will be amenable to periodic revisitation of any prospective adjustments over the remainder of the contract term.

If NYSERDA and the Seller are unable to agree on changes to the Agreement to implement a Meshed Network system, changes will be established under the binding arbitration process set forth in Section [x] of the Agreement.

### **4.3 Offer Price Evaluation Metric**

The offer pricing evaluation will be conducted by NYSERDA and NYSERDA Consultants. A quantitative method will be applied to all offers in order to screen and rank the pricing offers using a uniform cost metric. For evaluation purposes, each Index OREC Strike Price and Fixed OREC Price offer will be

converted to a Levelized Net OREC Cost (LNOC) in base year \$/MWh. The LNOC price measure allows for an equitable comparison among Proposals with different expected OREC quantities over time.

The LNOC for Proposal  $p$  using pricing structure  $s$  is the quotient of the cumulative present value of the annual net OREC costs for each calendar year over the proposed Contract Tenor, divided by the cumulative present value of the projected annual number of ORECs produced from Actual Eligible Production over the same calendar years. The annual quantities are discounted at a real discount rate. The resulting quotient is expressed in base year dollars per OREC or MWh.

$$LNOC_p = PVNOC_p / PVOQ_p$$

where:

$PVNOC_{p,Fixed}$  = PV of Net OREC Cost for Proposal  $p$ , pricing structure Fixed (\$ PV)

$$= \sum_{y=COD_p}^{y=COD_p+CT_p} \left\{ \sum_{m=1}^{m=12} OP_{p,m,y}^{Fixed} \times OQ_{p,m,y} \right\} \div (1 + NDR)^{(y-Y_b)}$$

$PVNOC_{p,Index}$  = PV of Net OREC Cost for Proposal  $p$ , pricing structure Index (\$ PV)

$$= \sum_{y=COD_p}^{y=COD_p+CT_p} \left\{ \sum_{m=1}^{m=12} (OSP_{p,m,y}^{Index} - RPE_{m,y}^{Pred} - RPC_{m,y}^{Pred}) \times OQ_{p,m,y} \right\} \div (1 + NDR)^{(y-Y_b)}$$

$PVOQ_p$  = PV of OREC delivery quantities for Proposal  $p$  (MWh)

$$= \sum_{y=COD_p}^{y=COD_p+CT_p} \left\{ \sum_{m=1}^{m=12} OQ_{p,m,y} \right\} \div (1 + RDR)^{(y-Y_b)}$$

$OQ_{p,m,y}$  = OREC delivery quantity for Proposal  $p$  applicable to month  $m$  of calendar year  $y$  (OREC or MWh)

$RPE_{m,y}^{Pred}$  = Predicted Reference Energy Price index for month  $m$  in calendar year  $y$  (nominal \$/MWh)

$RPC_{m,y}^{Pred}$  = Predicted Reference Capacity Price index for month  $m$  in calendar year  $y$  (nominal \$/MWh)

$COD_p$  = Calendar year associated with the expected Contract Delivery Term commencement date for Proposal  $p$  (for multi-phase Projects, this calculation will be applied to each phase)

$CT_p$  = Contract Tenor for Proposal  $p$

$NDR$  = Nominal Discount Rate (decimal)

$INF$  = Inflation Rate (decimal)

$RDR = (1 + NDR) / (1 + INF) - 1$  = Real Discount Rate

$Y_b$  = Base year for cost and PV

A nominal discount rate of 5.98%<sup>10</sup> per year and a long-term inflation rate assumption of 2.0% per year will be used in the LNOC calculation procedure.

For price evaluation purposes only, regardless of the Proposal's proposed Commercial Operation Date, all phases of all Proposals will be evaluated with a Contract Delivery Term commencement year of 2028, and therefore a  $COD_p$  of 2028. For purposes of the price evaluation, the MF value is assumed to be 100%. If a Proposal includes two Offshore Wind Generation Facilities with separate prices, the LNOC will be calculated based on the combined PVNOC and PVOQ.

For the Index OREC pricing structure, Index OREC Strike Prices will be converted into expected annual OREC values by subtracting a forecast of expected Reference Energy Prices and Reference Capacity Prices from the strike prices, based on NYISERDA's forecasts of energy and capacity prices. Neither the price forecasts nor details of the modeling procedures will be disclosed to Proposers.

For evaluation and settlement of Alternate Proposals that include Interconnection Cost Sharing, an adder representing NYISERDA's share of the NYISO interconnection cost will be applied to the Index OREC Strike Price or Fixed OREC Price to determine the total price used in the evaluation. The adder will be calculated as follows:

ICSA = Interconnection Cost Sharing Adder (Nominal \$/MWh)

$$= \frac{AICSR}{AOQ_{P50}}$$

$AOQ_{P50}$  = P50 Annual OREC Quantity (MWh/year)

AICSR = Annual Interconnection Cost Sharing Recovery (Nominal \$/year)

$$= NSIC \times AF(DR, CT)$$

$AF(DDR, CT)$  = Annuity factor using the DDR for the Contract Tenor

NSIC = NYISERDA Share of Interconnection Cost paid through the ICSA (Nominal \$)

$$\begin{aligned} &= \min(\max(0, IC - ICT1), ICT2 - ICT1) \times NS1 \\ &\quad + \min(\max(0, IC - ICT2), ICT3 - ICT2) \times NS2 \\ &\quad + \max(0, IC - ICT3) \end{aligned}$$

IC = NYISO Interconnection Cost (Nominal \$)

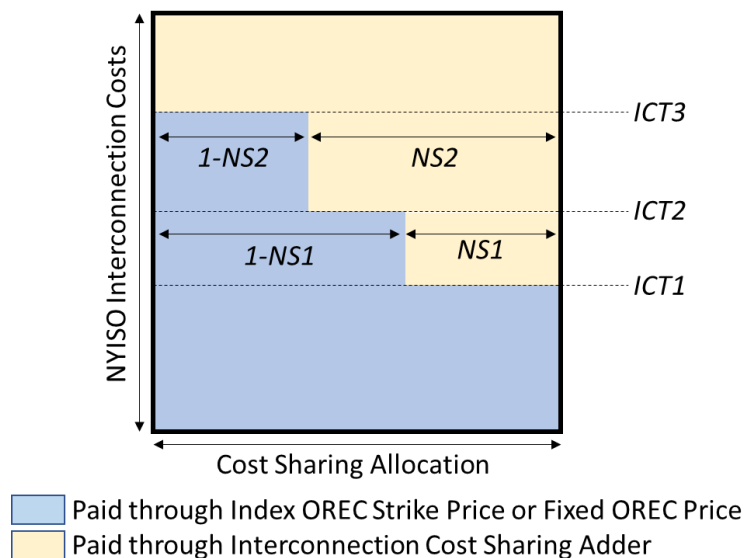
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<sup>10</sup> The discount rate for Offer Price evaluation (DISCO Discount Rate or DDR) was established by the New York State Department of Public Service Office of Accounting, Audits and Finance.

- ICT1 = Interconnection Cost Threshold 1 (Nominal \$, up to which Proposer absorbs 100% and NYISERDA absorbs 0% of the interconnection cost up to this value)
- ICT2 = Interconnection Cost Threshold 2 (Nominal \$, Proposer absorbs (1-NS1) and NYISERDA absorbs NS1 of the interconnection cost greater than ICT1 up to this value)
- ICT3 = Interconnection Cost Threshold 3 (Nominal \$, Proposer absorbs (1-NS2) and NYISERDA absorbs NS2 of the interconnection cost greater than ICT2 up to this value, Proposer absorbs 0% and NYISERDA absorbs 100% of the interconnection cost greater than this value)
- NS1 = NYISERDA Share (via the ICSA) of interconnection cost between ICT1 and ICT2
- NS2 = NYISERDA Share (via the ICSA) of interconnection cost between ICT2 and ICT3

The NYISO interconnection cost input value (*IC*, in the above equations) will be determined by NYISERDA based on the P90, P50, and P10 interconnection cost estimates submitted by the Proposer and associated Specialist Reviewer evaluation. If a Proposal with Interconnection Cost Sharing is selected, the NYISO interconnection cost value used for settlement purposes will be the actual NYISO interconnection cost. The Interconnection Cost Sharing parameters are illustrated in Figure 2.

Figure 2: Interconnection Cost Sharing Illustration



If an Alternate Proposal that includes Interconnection Cost Sharing is selected, in the event that the NYISO determines that the [Long Island Offshore Wind Export Public Policy Transmission Project \(LI-PPTP\)](#) reduces the Project's NYISO interconnection cost relative to what was reasonably expected by the Proposer at the time of Proposal submission, the Index OREC Strike Price or Fixed OREC Price will be adjusted downward to limit ratepayer exposure to paying for both the LI-PPTP and the share of the Project's expected pre-LI-PPTP interconnection cost that is embedded in the price submitted in the Proposal. This downward adjustment will be applied only for settlement in the event of award and will

not be used for evaluation. For purposes of this downward adjustment, NYSDERDA will assume that the Index OREC Strike Price or Fixed OREC Price submitted in the Proposal reflects the Proposer's maximum potential cost exposure associated with the identified cost sharing parameters. The adjustment, representing 50% of the differential between the maximum potential cost exposure and the actual interconnection cost, will be calculated as follows:

UPA = Unitized PPTP Adjustment (Nominal \$/MWh)

$$= -\frac{APAR}{AOQ_{P50}}$$

APAR = Annual PPTP Adjustment Recovery (Nominal \$/year)

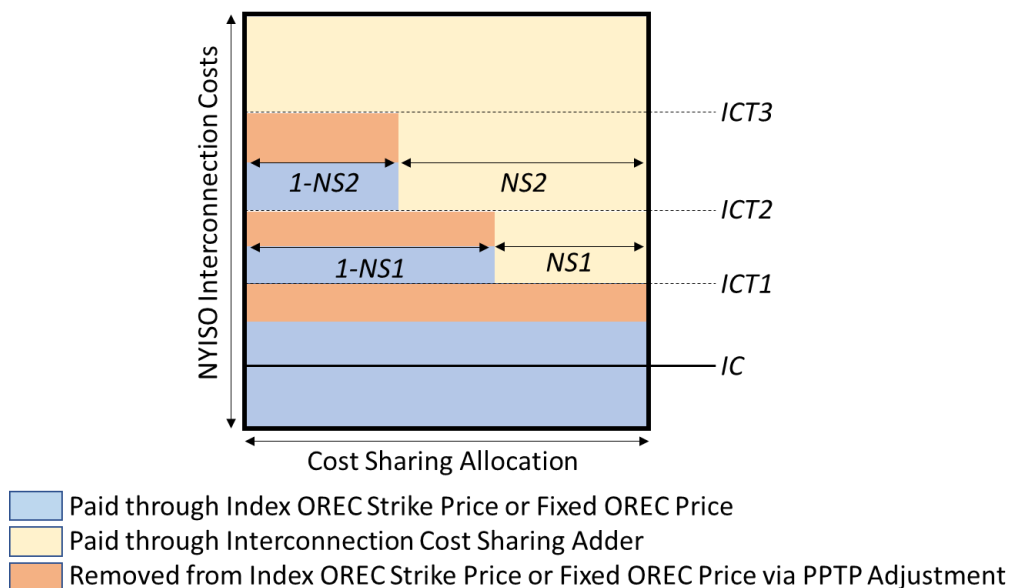
$$= ICD \times AF(DR, CT)$$

ICD = Interconnection Cost Differential (Nominal \$)

$$= 0.5 \times \max(0, ICT1 - IC) \\ + 0.5 \times \min(\max(0, ICT2 - IC), ICT2 - ICT1) \times (1 - NS1) \\ + 0.5 \times \min(\max(0, ICT3 - IC), ICT3 - ICT2) \times (1 - NS2)$$

An example of how this adjustment would be implemented for a case where the post-PPTP NYISO interconnection cost is less than ICT1 is shown in Figure 3. In this case there would be no Interconnection Cost Sharing Adder, and the Index OREC Strike Price or Fixed OREC Price would be reduced by 50% of the excess embedded interconnection cost reimbursement.

Figure 3: PPTP Adjustment Illustration



#### **4.4 Offer Price Scoring**

For purposes of cost containment, Benchmark LNOCs will be derived for both the Index OREC and the Fixed OREC. NYSERDA will employ Benchmark LNOCs in the offer evaluation process that support the consideration of and potential disqualification for award of all Proposals that exceed the applicable Benchmark LNOC. For purposes of this procurement, the Benchmark LNOC is synonymous with the “Maximum Acceptable Offer Price Metric” used in NYSERDA’s Tier 1 procurements. The calculation method will materially differ, however. NYSERDA retains the right to reject any and all Proposals that exceed the applicable Benchmark LNOC. Use of the Benchmark LNOCs will support a reasonable balance between encouraging investment in new offshore wind projects and protecting ratepayer interests from the incurrence of any deadweight costs associated with accepting a Proposal at any price.

In deriving the Benchmark LNOCs, NYSERDA will, in particular, account for the price results in recent offshore wind procurements held in New England and New Jersey. A number of additional considerations will be factored into the derivation of the Benchmark LNOCs. Either positive or negative, such additional considerations may include: different hedge efficiency attributes related to the PPA structure used in New England versus the Index or Fixed OREC structure; geotechnical and physical considerations; local spend considerations in New York State, including labor; transmission interconnection and deliverability criteria; the market value of energy and/or capacity; environmental mitigation costs; Project size; and Project timing. In formulating benchmark prices, NYSERDA may add or subtract from the list of additional cost considerations.

Proposals with a Fixed or Index LNOC higher than the applicable Benchmark LNOC will not be eligible for an award. NYSERDA has the authority to reject any or all Proposals, at any time, taking into account not only the Benchmark LNOCs but also recent auctions and market conditions.

Eligible Proposals with a Fixed or Index LNOC below the applicable Benchmark LNOC will have their LNOC values converted into points. The Proposal with the lowest LNOC will receive the maximum 70-point score and higher LNOC offers will receive lower scores. NYSERDA will implement a method designed to cause the scores of Proposals with higher LNOCs to be sufficiently dispersed below the maximum of 70 points such that the final score that aggregates price, viability, and economic benefits retains the intended scoring emphasis on price to a reasonable extent.

## **5 PRELIMINARY RANKING, PORTFOLIO EVALUATION, AND FINAL AWARD GROUP**

### **5.1 Preliminary Rank Order**

#### **5.1.1 Preliminary Rank Order for Required Base Proposal and Alternate Proposals that include Investment Plans (Preliminary IP Rank Order)**

The Required Base Proposals, which must each include at least one Investment Plan, and any Alternate Proposals that include Investment Plans will be compared in the Preliminary IP Rank Order. Based upon the terms of evaluation detailed in Sections 3 and 4 of this RFP, the calculated scores for the Project Viability, New York Economic Benefits, and Offer Pricing components of the Proposal scoring system will be summed. The Proposals will then be ranked by their total scores as a preliminary step in selection. Proposals will be selected for award from the Preliminary IP Rank Order until at least two Investment Plans have been funded, as described in Sections 2.1.2 and 2.1.3.

#### **5.1.2 Preliminary Rank Order for All Proposals (Preliminary Full Rank Order)**

All Proposals, including the Required Base Proposals, Required Standalone Proposals and all Alternate Proposals, will be compared in the Preliminary Full Rank Order. Based upon the terms of evaluation detailed in Sections 3 and 4 of this RFP, the calculated scores for the Project Viability, New York Economic Benefits, and Offer Pricing components of the Proposal scoring system will be summed. The Proposals will then be ranked by their total scores. Once at least two Investment Plans have been funded based on the selection of Proposals from the Preliminary IP Rank Order, as described in Sections 2.1.2 and 2.1.3, additional Proposals may be selected for award from the Preliminary Full Rank Order until the \$300 million (subject to legislative approval of the proposed FY 2023 Executive Budget) in New York State Funding available for Investment Plans has been exhausted or NYSERDA concludes, in its sole discretion, that funding additional Investment Plans submitted through this RFP is not the preferred way for New York State to meet its supply chain investment targets.

#### **5.1.3 Preliminary Rank Order for Required Standalone Proposal and Alternate Proposals that do not include Investment Plans (Preliminary Standalone Rank Order)**

The Required Standalone Proposals and any Alternate Proposals that do not include Investment Plans will be compared in the Preliminary Standalone Rank Order that will be considered for award if, as described in Section 5.1.2, the \$300 million (subject to legislative approval of the proposed FY 2023 Executive Budget) in New York State Funding available for Investment Plans has been exhausted or NYSERDA concludes, in its sole discretion, that funding some or all of the Investment Plans submitted through this RFP is not the preferred way for New York State to meet its supply chain investment targets.

For clarity, the Required Standalone Proposals and Alternate Proposals that do not include Investment Plans will be evaluated subject to the terms of Sections 3 and 4 of this RFP, excluding those elements that pertain to the evaluation of Investment Plans.

Proposals selected for award from the Preliminary IP Rank Order, the Preliminary Full Rank Order and the Preliminary Standalone Rank Order shall constitute the Preliminary Award Group.

## **5.2 Portfolio Evaluation; Consideration of Commission Objectives and New York State Targets**

In its Offshore Wind Orders the Commission identified many potential benefits for this initiative beyond its contribution to the achievement of the CES mandate and the reduction of greenhouse gas emissions. The Offshore Wind Orders also recognize that award decisions may be influenced by portfolio considerations including but not limited to diversity, economy of scale and market competition.

Given the integrated priorities of this solicitation, including the intention to procure at least 2,000 MW of offshore wind capacity and to maximize offshore wind supply chain development, the portfolio evaluation under this solicitation must seek to ensure and maximize the effective and practicable combinations of New York State Funding and Project capacity to maximize the resultant economic benefits for New York State.

In optimization of these integrated goals, NYSDERDA may elect to select a Proposal from the Required Standalone Proposals or Alternate Proposals that does not include an Investment Plan based upon the Preliminary Rank Order per Section 5.1.

In addition, NYSDERDA may also elect to modify the Preliminary Award Group in the event that the makeup of the Preliminary Award Group fails to meet the following program policy factors in a material respect:

- The efficient utilization of key transmission points of interconnection and Project selections that will promote the cost-efficient integration of at least 9 GW of offshore wind;
- Preservation of future pathways to integrate at least 9 GW of offshore wind with efficient use of limited ocean rights of way;
- Reduction of execution risk through diversity;
- System benefits with respect to grid reliability and optimization including implementation of recommendations described in the New York State Power Grid Study's Offshore Wind Study and Zero Emissions Study;

**Proposers are encouraged to address the above program policy factors in their Proposals to the extent applicable.**

## **5.3 Award Group**

The initial award group will be comprised of the Preliminary Award Group as modified (if at all) in accordance with Section 5.2.

NYSDERDA will notify the initial awardees by both voice and written communication. The date upon which NYSDERDA provides such written notification shall be the initial Award Notification Date.

The foregoing evaluation process is summarized in Figure 4 below.

**NYSERDA RESERVES THE RIGHT TO REJECT OR ACCEPT ANY OR ALL PROPOSALS.**

## 6 INSTRUCTIONS TO PROPOSERS

### 6.1 Preparation of Proposals

Each Proposer shall have sole responsibility for reviewing this RFP and all attachments hereto and for investigating and informing itself with respect to all matters pertinent to this RFP, including the [NYGATS Operating Rules](#) and NYISO's Open Access Transmission Tariff (OATT) and market rules, and those of the Control Area into which the Project may interconnect.

Proposers should rely only on information provided in this RFP and any associated written updates posted on the on the [NYSERDA Offshore Wind 2022 Solicitation website](#) when preparing their Proposals. Each Proposer shall be solely responsible for and shall bear all of its costs incurred in the preparation of its Proposal and/or its participation in this RFP. Submission of Proposals including confidential information shall be filed in accordance with Section 8.1 of this RFP.

### 6.2 Organization and Submission of the Proposals

#### 6.2.1 Organization of the Submission

Proposers are required to organize their Proposals consistent with the instructions provided herein. Each Submission, which includes the Required Base Proposal, Required Standalone Proposal and any Alternate Proposals, must include the following separate files:

1. **Master Offers Form**, a provided Excel workbook template, calculates the Proposal Fee, includes framework for providing Proposal summary information and identifies mapping of submitted files to Proposals, common Project descriptive information and a listing of Offer Data Form files. Must be submitted as a working Excel file. Only one Master Offers Form can be included in the Submission.
2. **Offer Data Form**, a provided Excel workbook template, contains pricing, technical, and operational information for the proposed Offshore Wind Generation Facility and optional Energy Storage, and claimed Incremental Economic Benefits of the Project. The Offer Data Form allows separate pricing to be submitted for each of up to two Contract Tenors. Must be submitted as a working Excel file. At least two Offer Data Forms must be included in the Submission, one for the Required Base Proposal and one for the Required Standalone Proposal. An additional Offer Data Form must be submitted for each Alternate Proposal.
3. **Investment Plan Data Form**, a provided Excel workbook template, contains funding request / financing plan, financial model, including sources and uses of funds, key assumptions and financial projections through a duration at least equal to the requested term of New York State Funding, proposed financing terms, budget, economic benefits, and construction schedule information for an Infrastructure Site or facility in alignment with the corresponding Investment Plan. The Investment Plan Data Form must be submitted as a working Excel file. At least one Investment Plan Data Form must be included in the Submission. An Investment Plan Data Form must be included in the Submission for each Investment Plan included in the Submission.

4. **Proposal Narrative**, a description of the proposed Project including the Offshore Wind Generation Facility or Facilities and optional Energy Storage, information required to demonstrate the eligibility, viability, claimed Incremental Economic Benefits of the Project, and other relevant information and supporting documentation required to evaluate the Proposal. The organization and contents of the Proposal Narrative *must* be organized in the order presented in Section 6.4, with section numbers that correspond to the numeration in Section 6.4, *e.g.*, the Executive Summary must be Section 1 of the Proposal, and must include the following appendices as discrete, required files, named in accordance with the conventions established in Appendix M. Each Proposal Narrative file and attachment, unless otherwise noted, must be submitted as a fully searchable PDF file with numbered pages. Only one Proposal Narrative, inclusive of all Proposals offered, can be submitted. The Submission must include both Confidential and Public versions of the Proposal Narrative. If a Proposal includes two Offshore Wind Generation Facilities, the required information must be provided for each and clearly delineated by Facility.

4.1. **Wind Resource Data** (see Section 6.4.5)

Must be submitted as a working Excel file. At least one Wind Resource Data attachment must be included in the Submission. If the Wind Resource Data varies among Proposals, the additional information may be provided in the same file, as long as the datasets are clearly labeled for Proposal correspondence, or in separate files.

4.2. **Financing Plan** (see Section 6.4.7)

At least one Financing Plan attachment must be included in the Submission. If the Financing Plan varies among Proposals, the additional information may be provided in the same file, as long as the variances are clearly labeled for Proposal correspondence, or in separate files.

4.3. **Interconnection and Deliverability Plan** (see Section 6.4.8)

At least one Interconnection and Deliverability Plan attachment must be included in the Submission. If the Interconnection and Deliverability Plan varies among Proposals, the additional information may be provided in the same file, as long as the variances are clearly labeled for Proposal correspondence, or in separate files.

4.4. **Project Schedule** (see Section 6.4.12)

At least one Project Schedule attachment must be included in the Submission. If the Project Schedule varies among Proposals, the additional information may be provided in the same file, as long as the variances are clearly labeled for Proposal correspondence, or in separate files.

4.5. **Fisheries Mitigation Plan** (see Section 6.4.14 and Appendix D)

At least one Fisheries Mitigation Plan attachment must be included in the Submission. If the Fisheries Mitigation Plan varies among Proposals, the additional information may be provided in the same file, as long as the variances are clearly labeled for Proposal

correspondence, or in separate files. The Submission must include both Confidential and Public versions of each Fisheries Mitigation Plan attachment.

**4.6. Environmental Mitigation Plan** (see Section 6.4.15 and Appendix E)

At least one Environmental Mitigation Plan attachment must be included in the Submission. If the Environmental Mitigation Plan varies among Proposals, the additional information may be provided in the same file, as long as the variances are clearly labeled for Proposal correspondence, or in separate files. The Submission must include both Confidential and Public versions of each Environmental Mitigation Plan attachment.

**4.7. Stakeholder Engagement Plan** (see Section 6.4.15 and Appendix F) At least one

Stakeholder Engagement Plan attachment must be included in the Submission. If the Stakeholder Engagement Plan varies among Proposals, the additional information may be provided in the same file, as long as the variances are clearly labeled for Proposal correspondence, or in separate files. The submission must include both Confidential and Public Versions of each Stakeholder Engagement Plan attachment.

**4.8. Letters of Support for the Proposal** (see Section 6.4.16)

At least one Letters of Support for the Proposal attachment must be included in the Submission. If the Letters of Support for the Proposal vary among Proposals, the additional information may be provided in the same file, as long as the variances are clearly labeled for Proposal correspondence, or in separate files.

**4.9. Economic Benefits Plan** (see Appendix C.1)

At least one Economic Benefits Plan attachment must be included in the Submission. If the Economic Benefits Plan varies among Proposals, the additional information may be provided in the same file, as long as the variances are clearly labeled for Proposal correspondence, or in separate files.

**4.10. New York Jobs and Workforce Plan** (see Appendix H)

At least one New York Jobs and Workforce Plan attachment must be included in the Submission. If the New York Jobs and Workforce Plan varies among Proposals, the additional information may be provided in the same file, as long as the variances are clearly labeled for Proposal correspondence, or in separate files.

**4.11. Investment Plan(s)** (see Appendix C.2)

At least one Investment Plan attachment must be included in the Submission. An Investment Plan must be included in the Submission for each Investment Plan Data Form included in the submission.

**5. Proposer Certification Form**, a form (Appendix B) that must be signed by Proposer's authorized representative to certify the validity of the offer and attest to other representations. Only one Proposer Certification Form can be included in the Submission.

Proposers may also submit an unlimited number of supporting attachments (each file size capped at 100MB) to provide information or studies related to the Proposal. Each supporting attachment must be a fully searchable PDF file, unless a different file type such as Excel is necessary for presentation of the information.

A separate Offer Data Form must be submitted for each Proposal. To the extent that other items from the above list of required files are different than the file submitted for the Required Base Proposal, additional versions of each should be attached, or if the information should be clearly labeled by Proposal, if included within a single file. The Master Offers Form must be comprehensive of all submitted Proposals and offer insight into the organization of the entire Submission to facilitate its complete review and any distinguishing factors among individual Proposals. To the extent that a required file or attachment is applicable to more than one submitted Proposal, the Master Offers Form will allow this to be indicated in order to avoid multiple submissions of the same file. A Proposer may submit the same marked up Agreement for all Proposals, or a Proposer may submit separate marked up Agreements for each Proposal if there are reasons for material differences.

### **6.2.2 Submission Instructions**

NYSERDA uses a secure Salesforce site to accept Proposal submissions. Full submission instructions will be detailed in the final RFP issuance.

Proposers are encouraged to submit their files as early as possible to avoid bandwidth issues with simultaneous uploads to NYSERDA's Salesforce application.

Only fully searchable files will be accepted under this RFP.

#### **6.2.2.1 Confidential Version of Proposals**

A Proposer must submit an unredacted complete version of the Proposals. The confidential version of the Submission must include the Master Offers Form, Offer Data Forms and Investment Plan Data Form(s) as working Excel files, with all required information included. The Proposal Narrative and all required attachments must be submitted as searchable PDF files, with the exception of the Wind Resource Data and Project Schedule, which must be submitted as working Excel files. The confidential version of the Proposal will be treated as confidential and sensitive information by the Scoring Committee, subject to the treatment of confidential information discussed in Section 8.1 of this RFP.

#### **6.2.2.2 Public Version of Proposal Narrative**

The Proposal Narrative, each Fisheries Mitigation Plan, Environmental Mitigation Plan, and Stakeholder Engagement Plan must be also submitted to NYSERDA in a version that can be made publicly available as a searchable PDF file. The public version must include descriptive information on all categories described in Section 6.4, but Proposers may omit information where there is a reasonable basis to assert that Proposer would be commercially harmed as a result of the disclosure of such information. See Section 8.1. For clarity, the public version should not include redactions.

This public versions of the Proposal Narrative, Fisheries Mitigation Plan(s), Environmental Mitigation Plan(s), and Stakeholder Engagement Plan(s) will be posted on the [NYSERDA Offshore Wind 2022](#)

[Solicitation website](#) shortly after the Deadline for Submission of Proposals. The file name of the submitted file should include the word “Public” as noted in Section M.4.3 of Appendix M. NYSERDA will not further redact the public versions of Proposal Narrative and associated attachments. Anything submitted in the public versions will be made available to the public.

### **6.3 Offer Data Forms**

The Master Offers Form, Offer Data Form (ODF) and Investment Plan Data Form (IPDF) documents are Microsoft Excel workbooks that can be downloaded from the [NYSERDA Offshore Wind 2022 Solicitation website](#). Each Proposer must submit a single Master Offers Form. A separate ODF is required for the Required Base Proposal, Required Standalone Proposal and each Alternate Proposal. Up to two Contract Tenors for Proposals with the same non-price aspects are included within a single ODF document. A separate IPDF is required for each Investment Plan. Instructions for completion are included in each form.

#### **6.3.1 Master Offers Form**

The Master Offers Form (Appendix K) has three parts, listed below, and a User Guide. If Proposer provides information in the Master Offers Form that conflicts with the information provided within other submitted documents, the Proposal Narrative, ODF, or IPDF shall be considered to contain the governing and binding information for both the evaluation and any resulting contract offer.

**Part I Proposal Fee Calculation**

Proposer name, Proposer ID, Offshore Wind Generation Facility, BOEM renewable energy lease number, list of Investment Plans included in the Submission, list of Proposals included in the Submission, whether each Alternate Proposal includes Energy Storage or Interconnection Cost Sharing, and if so, which Proposal without Energy Storage or without Interconnection Cost Sharing such offers correspond to.

**Part II Quantitative Summary of Proposals**

Enter summary information about each Proposal from the Proposal Narrative (e.g., distance from shore, foundation technology, turbine model) and ODF (Injection Point Control Area, injection substation, anticipated Commercial Operation Date for the first (or only) phase, number of phases, pricing structure, offer price(s), total economic benefits by Category).

**Part III Submission Map**

List of all files included in Submission, including file category (e.g., Offer Data Form, Proposal Narrative, Investment Plan, Economic Benefits Plan, Interconnection and Deliverability Plan, Fisheries Mitigation Plan, Stakeholder Engagement Plan, etc.), file name, and the Proposals to which each file applies. The Submission Map should offer clarity to NYSERDA of any individual files that service multiple Proposals (e.g., a Fisheries Mitigation Plan that is common throughout) and/or where specific files are applicable only to certain Proposals. For Submission files that represent additional supporting information beyond the required file types, a description of each file is required.

### 6.3.2 Offer Data Form

The ODF (Appendix J) has seven parts, listed below, and a User Guide. If Proposer provides information in other sections of its Proposal(s) that conflicts with the information provided in the ODF, the ODF shall be considered to contain the governing and binding information for both the evaluation and any resulting contract offer.

**Part I Identification Worksheet**

Proposer name, Offshore Wind Generation Facility name, BOEM renewable energy lease number, unique Proposal name (if not the Required Base Proposal or Required Standalone Proposal), pricing structure, Offer Capacity, number of phases in which Offer Capacity will enter Commercial Operation, Injection Point Control Area, identification of associated Investment Plans by IP ID, name, and total New York State Funding (each Investment Plan must include up to \$125 million)

**Part II Project Definition Worksheet**

The expected Commercial Operation Date and capacity of each phase, the P10 Annual OREC Exceedance value, the summer and winter UCAP production factors, and Injection Point and Delivery Point descriptive information.

**Part III Expected Performance Worksheet**

Table III-1. P50 Generation (before outages and land-based transmission and curtailment losses) as a fraction of installed capacity by month and hour of day. For Alternate Proposals with Energy Storage that is directly charged from the Project, this Table should reflect Energy Storage deployment if that changes the delivery profile.

Table III-2. Delivered energy as a fraction of P50 Generation by month and calendar year.

**Part IV Pricing Worksheet**

Offer level nominal Strike Prices (if Index OREC) or Prices (if Fixed OREC) for each Contract Tenor selected. Up to two pricing offers can be submitted in each ODF, for the 25- and 20-year Contract Tenors. The ODFs for the Required Base Proposal and Required Standalone Proposal must include an offer for the 25-year Contract Tenor.

Pricing based on sharing of the NYISO interconnection cost with NYSERDA will additionally require identification of the interconnection cost level up to which the Proposer will absorb 100% of the interconnection cost in the Index OREC Strike Price of Fixed OREC Price, and two additional interconnection cost levels with percentages allocable to NYSERDA within the Interconnection Cost Sharing Adder. Also required are the P90 (low), P50 (expected) and P10 (high) estimates of the NYISO interconnection cost for the Project.

**Part V Economic Benefits Worksheets (See 6.4.18 and Appendix C.1)**

Each line item listed in Tables V-1, V-2 and V-3 must be cross-referenced in the Economic Benefits Plan using the template provided in Appendix C.1.

**Table V-1. Category 1, Incremental Economic Benefits associated with the Offshore Wind Generation Facility and associated investments other than in Investment Plan Supply Chain Facilities.** Data are entered by ID number, including Project phase, time period, first calendar year and last calendar year in which the benefit is expected to accrue, description, and the net expenditures (stated in nominal dollars).

**Table V-2. Category 2, Incremental Economic Benefits associated with development and construction of Investment Plan Supply Chain Facilities.** Data are entered by ID number, including Project phase, time period, first calendar year and last calendar year in which the benefit is expected to accrue, description, and the net expenditures (stated in nominal dollars). The entries in Table V-2 must be consistent with the entries in Table II-2 for the IPDFs that are applicable to the Proposal that the ODF represents.

**Table V-3. Category 3, Other Economic Benefits.** Data are entered by ID number, including time period, first calendar and last calendar year in which the benefit is expected to accrue, description, Proposer's planned measurement metric and quantity of the input activity or benefit.

**Part VI Jobs and Workforce Worksheets (See 6.4.18.3 and Appendix H)**

Each line item listed in Tables VI-1 and VI-2 must be cross-referenced in the New York Jobs and Workforce Plan using the template provided in Appendix H.

**Table VI-1. Category 1 Jobs and Workforce Data associated with the Offshore Wind Generation Facility and associated investments other than in Investment Plan Supply Chain Facilities.** Data for labor-related claims are entered by ID number including Project phase, time period, first calendar year and last calendar year in which the benefit is expected to accrue, and a description of labor. Values should be entered for jobs commitments, including number of unique short-term and long-term jobs created and long-term jobs retained, labor hours (corresponding to FTE-years), locations, wages, and benefits. The total claims will be populated in Table V-1. Jobs commitments allocable to Disadvantaged Communities can also be entered if applicable.

**Table VI-2. Category 2 Jobs and Workforce Data associated with development and construction of Investment Plan Supply Chain Facilities.** Data for labor-related claims are entered by ID number including Project phase, time period, first calendar year and last calendar year in which the benefit is expected to accrue, and a description of labor. Values should be entered for jobs commitments, including number of unique short-term and long-term jobs created and long-term jobs retained, labor hours (corresponding to FTE-years), locations, wages, and benefits. The total claims will be populated in Table V-2. Jobs commitments allocable to Disadvantaged Communities can also be entered if

applicable. The entries in Table VI-2 must be consistent with the entries in Table III-2 for the IPDFs that are applicable to the Proposal that the ODF represents.

**Part VII Summary of Annual Economic Benefits**

Incremental Economic Benefits entries from Category 1 (Table V-1) and Category 2 (Table V-2) re-stated on an annual total basis based on the years in which the benefits are expected to accrue.

**6.3.3 Investment Plan Data Form**

Each Investment Plan must be accompanied by at least one IPDF (Appendix L). The IPDF has seven parts, listed below, and a User Guide. If the Proposer provides information in the narrative Investment Plans that conflicts with the information provided in the IPDF, the IPDF shall be considered to contain the governing and binding information for both the evaluation and any resulting contract offer. In the case of conflicting information between the ODF and IPDF, the ODF shall govern.

**Part I Identification and Financial Model Worksheet**

Proposer name, Offshore Wind Generation Facility name, Investment Site, Site Use (port, blades, nacelles or cables), Investment Plan name, IP ID, and the proposed private funding sources.

**Part II Economic Benefits Worksheets**

Each line item listed in Tables II-2 and II-4 must be cross-referenced in the Investment Plan using the template provided in Appendix C.2.

***Table II-2. Category 2, Incremental Economic Benefits associated with development and construction of Investment Plan Supply Chain Facilities.*** Data are entered by ID number, including Project phase, time period, first calendar year and last calendar year in which the benefit is expected to accrue, description, and the net expenditures (stated in nominal dollars). The entries in Table II-2 must be consistent with the entries in Table V-2 of the ODF that are associated with the Investment Plan.

***Table II-4. Category 4, Incremental Economic Benefits associated with operation and maintenance of Investment Plan Supply Chain Facilities.*** Data are entered by ID number, including description, first calendar and last calendar year (up to 2062) in which the benefit is expected to accrue, and the net expenditures (stated in nominal dollars). Economic benefits associated with labor, including expenditures, short-term and long-term jobs created, and long-term jobs retained will be automatically populated based on data entered in Table III-4. Net expenditures allocable to Disadvantaged Communities, MWBEs, and SDVOBs can also be entered if applicable.

***Table II-5. Category 5, Other economic benefits that are reasonably expected to accrue in connection with New York State Funding of the Investment Plan.*** Data are entered by ID number, including description, first calendar and last calendar year (up to 2062) in which the benefit is expected to accrue, and the net expenditures (stated in nominal

dollars). Economic benefits associated with labor, including expenditures, short-term and long-term jobs created, and long-term jobs retained will be automatically populated based on data entered in Table III-5. Net expenditures allocable to Disadvantaged Communities, MWBEs, and SDVOBs can also be entered if applicable.

**Part III      Jobs and Workforce Worksheets**

Each line item listed in Table III-2 must be cross-referenced in the New York Jobs and Workforce Plan using the template provided in Appendix H.

***Table III-2. Category 2 Jobs and Workforce Data associated with development and construction of Investment Plan Supply Chain Facilities.*** Data for labor-related claims are entered by ID number including Project phase, time period, first calendar year and last calendar year in which the benefit is expected to accrue, and a description of labor. Values should be entered for jobs commitments, including number of unique short-term and long-term jobs created and long-term jobs retained, labor hours (corresponding to FTE-years), locations, wages, and benefits. The total claims will be populated in Table II-2. Jobs commitments allocable to Disadvantaged Communities can also be entered if applicable. The entries in Table III-2 must be consistent with the entries in Table VI-2 of the ODF that are associated with the Investment Plan.

***Table III-4. Category 4 Jobs and Workforce Data associated with operation and maintenance of Investment Plan Supply Chain Facilities.*** Data for labor-related claims are entered by ID number including Project phase, time period, first calendar year and last calendar year in which the benefit is expected to accrue, and a description of labor. Values should be entered for jobs commitments, including number of unique short-term and long-term jobs created and long-term jobs retained, labor hours (corresponding to FTE-years), locations, wages, and benefits. The total claims will be populated in Table II-4. Jobs commitments allocable to Disadvantaged Communities can also be entered if applicable.

**Part IV      Summary of Annual Economic Benefits Worksheet**

Economic benefits entries from Category 2 (Table II-2) and Category 4 (Table II-4) restated on an annual total basis based on the years in which the benefits are expected to accrue.

**Part V      Budget and Identification of Eligible Expenses Worksheet**

Enter line items associated with capital expenditures for the proposed Investment Plan in nominal dollars in the period (calendar month) in which each expense is expected to be incurred. Operational expenses are not included.

**Part VI      Schedule Worksheet**

Enter key milestones in the development and construction of the proposed port, manufacturing or supply chain infrastructure.

## **Part VII Proposed New York State Funding Terms Worksheet**

Enter requested terms for the New York State Funding component of the proposed Investment Plan.

### **6.4 Proposal Narrative**

Only one Proposal Narrative can be included in the Submission, with both confidential and public versions. Each section of the Proposal Narrative must therefore address all Proposals included in the Submission and the variations among them.

#### **6.4.1 Executive Summary**

Proposers are required to provide an executive summary that documents the eligibility of the proposed Offshore Wind Generation Facility, and the array of Proposals included in the Submission, including the proposed Contract Tenor(s), the overall Project schedule(s) including expected Commercial Operation Date(s), and other factors Proposers deem to be important.

#### **6.4.2 Impacts of COVID-19 on Proposer and Project Development**

Proposers are required to describe how the ongoing COVID-19 pandemic has affected and/or continues to affect their business operations, the process of developing the Project, and the content of the Submission. For the avoidance of doubt, the content of this section of the Proposal Narrative is informational only and will not affect the Project Viability scoring of any of the submitted Proposals.

#### **6.4.3 Proposer Experience**

Proposers are required to demonstrate project experience and management capability to successfully develop and operate the Project proposed. NYSERDA is interested in Project Teams that have demonstrated success in developing generating facilities of similar size and complexity and can demonstrate an ability to work together effectively to bring the Project to commercial operation in a timely fashion. Proposers are required to provide the following information with their Proposal:

1. An organizational chart for the Project that lists the Project participants and identifies the corporate structure, including general and limited partners.
2. Statements that list the specific experience of Proposers and each of the Project participants (including, when applicable, Proposers, partners, and proposed contractors), in developing, financing, owning, and operating generating and transmission facilities, other projects of similar type, size and technology, and any evidence that the Project participants have worked jointly on other projects.
3. A management chart that lists the key personnel dedicated to this Project and resumes of the key personnel. Key personnel of Proposer's development team having substantial Project management responsibilities must have:
  - a. Successfully developed and/or operated one or more projects of similar size or complexity or requiring similar skill sets; and

- b. Experience in financing power generation projects (or have the financial means to finance the Project on Proposer's balance sheet).
  - c. Experience in integrating MWBEs and SDVOB in developing generating facilities of similar size and complexity or other large public works projects.
- 4. A listing of projects the Project sponsor has successfully developed or that are currently under construction. Provide the following information for each project as part of the response:
  - a. Name of the project
  - b. Location of the project
  - c. Project type, size and technology
  - d. Commercial Operation Date
  - e. Estimated and actual capacity factor of the project for the past three years
  - f. Availability factor of the project for the past three years
  - g. References, including the names and current addresses and telephone numbers of individuals to contact for each reference.
- 5. With regard to Proposer's Project Team, identify and describe the entity responsible for the following, as applicable:
  - a. Construction Period Lender, if any
  - b. Diversity, Equity, and Inclusion Officer
  - c. Environmental Consultant
  - d. EPC Contractor (if selected)
  - e. Facility Operator and Manager
  - f. Financial Advisor
  - g. Labor Liaison
  - h. Legal Counsel
  - i. Operating Period Lender and/or Tax Equity Provider, as applicable
  - j. Owner's Engineer
  - k. Transmission Consultant
- 6. Details of Proposer's experience in NYISO markets. With regard to Proposer's experience with NYISO markets, please indicate the entity that will assume the duties of Market Participant for your proposed Offshore Wind Generating Facility. Please provide a summary of Proposer's or Market Participant's experience with the wholesale market administered by NYISO as well as transmission services performed by Con Edison, NYPA, and PSEG-LI/LIPA.
- 7. Details of Proposer's experience involving MWBEs and SDVOBs in projects of similar type and scale. With regard to Proposer's experience engaging or utilizing MWBEs and SDVOBs, please indicate the entity and individual that will assume the responsibility for Diversity, Equity, and Inclusion for your proposed Offshore Wind Generating Facility. Please provide a summary of Proposer's or Diversity, Equity, and Inclusion Officer's experience with contracting equity and inclusion.

#### **6.4.4 Project Description and Site Control**

Identify the BOEM wind energy area where the proposed Offshore Wind Generation Facility will be located. Provide documentation that Proposer has a valid lease or irrevocable lease option to develop the leased area within this wind energy area over the entire Contract Tenor.

Provide a site plan (or plans) including a map (or maps) that clearly identifies the location of the proposed Offshore Wind Generation Facility, collection facilities, Meshed Ready facilities, offshore and onshore route of the generator lead line to the interconnection point, converter station(s), and the assumed right-of-way width. Identify the anticipated Injection and Delivery Point(s), support facilities, and the relationship of the Injection and Delivery Point(s) to other local infrastructure, including transmission facilities, roadways, and waterways.

Identify any rights that Proposer or its development partner has at the Injection and Delivery Point(s) and for the generator lead line right of way. Provide a detailed plan and timeline for the acquisition of any additional rights necessary for interconnection and for the generator lead line right-of-way. Include these plans and the timeline in the overall Project Schedule in Section 6.4.12.

In addition to providing the required map(s), provide a site layout plan that illustrates the location of all onshore and offshore equipment and facilities and clearly delineates the turbine array and perimeter of the area in which offshore wind turbines will be placed. Identify the distance in statute miles between the nearest shoreline point and the nearest Offshore Wind Generation Facility turbines.

#### **6.4.5 Energy Resource Assessment and Plan**

Provide a summary of all collected wind data for the proposed Offshore Wind Generation Facility site. Identify when and how (*e.g.*, meteorological mast or LiDAR – for “Light Detection and Ranging”) the data was collected and by whom.

Indicate where the data was collected and its proximity to the proposed Offshore Wind Generation Facility site. Include an identification of the location and height for the anemometers and/or “range gate” heights for sensing by LiDAR that were used to arrive at an assessment of the site generation capability. Describe any additional wind data collection efforts that are planned or ongoing. Provide at least one year of hourly wind resource data in a working Excel file (the required Wind Resource Data attachment). Data collected from the site is preferred, though projected data is permissible. The method of data collection must also be included.

Provide a wind resource assessment report for the Proposed Offshore Wind Generation Facility site. Include an analysis of the available wind data which addresses the relationship between wind conditions and electrical output. Provide a site-adjusted power curve. Each curve should list the elevation, temperature and air density used.

#### **6.4.6 Operational Parameters**

Provide partial and complete planned outage requirements in weeks or days for the Offshore Wind Generation Facility. Also, list the number of months required for the cycle to repeat (*e.g.*, list time interval of minor and major overhauls, and the duration of overhauls).

Provide all the expected operating constraints and operational restrictions for the Project, the reason for the limitation, and characterize any applicable range of uncertainty.

#### **6.4.7 Business Entity and Financing Plan**

Proposers are required to demonstrate the financial viability of their proposed Project. A narrative description of the financing plan should be included in the Proposal Narrative. Detailed supporting information, including financial statements and other documents, should be included in the required Financing Plan attachment. Proposers should provide the following information:

1. Submit information and documentation that demonstrates that a long-term contract resulting from this RFP process would either permit Proposers to finance Proposals that would otherwise not be financeable or assist Proposers in obtaining financing of its Proposal.
2. Describe the business entity structure of Proposers' organization from a financial and legal perspective, including all general and limited partners, officers, directors, managers, members and shareholders, and involvement of any subsidiaries supporting the Project. Provide an organization chart showing the relationship among the different Project participants. For joint ventures, identify all owners and their respective interests, and document Proposers' right to submit a binding Proposal. Provide the race and gender of the general and limited partners, officers, directors, managers, members and/or joint venture owners with financial interest.
3. Provide a description of the financing plan for the Project, including construction and term financing. The financing plan should address the following:
  - a. Who will finance the Project (or are being considered to finance the Project) and the related financing mechanism or mechanisms that will be used (*i.e.*, convertible debenture, tax or contingent equity, other) including repayment schedules and conversion features
  - b. Project's existing initial financial structure and projected financial structure
  - c. Expected sources of debt and equity financing
  - d. Describe how any such agreements would differ, contingency on NYERDA's selecting either the Fixed OREC or Index OREC form of pricing
  - e. Estimated construction costs, including identification of the costs associated with Meshed Ready design, and identification of costs associated with transmission
  - f. Projected capital structure during construction and operation
  - g. Describe any agreements, both pre and post Commercial Operation Date, entered into with respect to equity ownership in the proposed Project and any other financing arrangement.
4. Provide documentation illustrating the experience of Proposer in securing financing for projects of similar size and technology. For each project previously financed provide the following information:
  - a. Project name and location
  - b. Project type and size

- c. Date of construction and permanent financing
  - d. Form of debt and equity financing
  - e. Current status of the project
- 5. Provide evidence that Proposer has the financial resources and financial strength to complete and operate the Project as planned.
- 6. Describe the role of the Federal Production Tax Credit or Investment Tax Credit (or other incentives) on the financing of the Project, including presumed qualification year and percentage and estimated eligible capital expenditures. Provide an explanation for the assumed ability or inability to qualify for the Federal Production Tax Credit or Investment Tax Credit. The Proposal may not be contingent on receipt of the Production Tax Credit or Investment Tax Credit. Refer to Section 2.1.4 of this RFP and Section [x] of the Agreement for the Bid Price adjustment related to receipt of Qualifying Federal Support.
- 7. Provide complete copies of the most recent audited financial statement and annual report for each Proposer for each of the past three years; including affiliates of Proposer (if audited statements are not available, reviewed or compiled statements are to be provided). Also, provide the credit ratings from Standard & Poor's and Moody's (the senior unsecured long-term debt rating or if not available, the corporate rating) of Proposer and any affiliates and partners.
- 8. List the board of directors, officers and trustees for the past three years and any persons who Proposer knows will become officers, board members or trustees. Provide any Diversity, Equity, and Inclusion plan to be used in selecting new officers, board members or trustees.
- 9. Demonstrate Proposer's ability (and/or the ability of its credit support provider) to provide the required security, including its plan for doing so.
- 10. Provide a description of any current or recent credit issues/ credit rating downgrade events regarding Proposer or affiliate entities raised by rating agencies, banks, or accounting firms. Provide information regarding any exposure of the Proposer, parent company, and/or affiliates including joint ventures to adverse events related to investments and other activities in Russia. Discuss corporate withdrawals from investments in Russia, the impact of write-offs, write-downs and/or related impairment charges and government sanctions arising from the conflict in Ukraine affecting the Proposer, parent company, joint venture participants and/or affiliates, including limited liability corporations.
- 11. Disclose any pending (currently or in the past three years) litigation or disputes related to projects planned, developed, owned or managed by Proposer or any of its affiliates in the United States, or related to any energy product sale agreement.
- 12. Provide the expected operating life of the proposed Project and the depreciation period for all substantial physical aspects of the offer, including generation facilities, generator lead lines to move power to the grid, and transmission system upgrades.

13. List all of Proposers' affiliated entities and joint ventures transacting business in the energy sector.
14. Describe any litigation, disputes, claims or complaints, or events of default or other failure to satisfy contract obligations, or failure to deliver products, involving Proposer or an affiliate, and relating to the purchase or sale of energy, capacity or RECs or other electricity products.
15. Confirm that Proposer, and the directors, employees and agents of Proposer and any affiliate of Proposer are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction involving conspiracy, collusion or other impropriety with respect to offering on any contract or have been the subject of any debarment action (detail any exceptions).

#### **6.4.8 Interconnection and Deliverability Plan**

Proposers are required to demonstrate the Offshore Wind Generation Facility's interconnection status and deliverability capabilities. A narrative description of the interconnection and deliverability plan should be included in the Proposal Narrative. Detailed supporting information should be included in the required Interconnection and Deliverability Plan attachment. Proposers should provide the following information:

1. Provide documentation to show evidence of the interconnection request to NYISO or any neighboring control areas for Capacity Resource Interconnection Service (CRIS) or for Energy Resource Interconnection Service, or similar interconnection standards in neighboring control areas. For Proposals where capacity is to be delivered to NYCA, Proposers should describe any required transmission system upgrades and provide an estimate of the required transmission system upgrade costs under NYISO CRIS to meet deliverability requirements in NYISO. Evidence that Proposer has a pending, valid interconnection request is sufficient for eligibility under this RFP, but further detail will add to the viability of the proposed plan. Describe the status of any planned interconnection to the grid. Any interconnection studies undertaken by the applicable control area or third parties on behalf of Proposer must be provided.
2. Provide a copy of an electrical one-line diagram showing the interconnection facilities and the relevant facilities of the transmission provider.
3. Identify and provide an estimate of the interconnection cost, supported by a study by an independent third party, for all proposed or anticipated interconnection and transmission system upgrades, including any transmission system upgrades beyond the point of interconnection that are needed to ensure delivery of energy from the Offshore Wind Generation Facility into NYCA. Describe measures to identify and control the regulatory and operational risks related to the delivery of energy from the Offshore Wind Generation Facility.
4. Demonstrate that energy and associated ORECs generated by the facility can be delivered into the NYCA. For an Offshore Wind Generation Facility interconnecting in an adjacent Control Area, describe how Proposer intends to fulfill the External Project Delivery Requirement.

5. Provide detail regarding the available capacity, at the time of submission, of the proposed Injection Point.
6. Provide detailed maps that show the proposed off- and on-shore cable route(s) from landfall the proposed Injection Point including as much supportive detail and information of relevance for an actual or eventual Article VII filing as available at the time of submission.
7. Describe any specific power grid benefits brought by the selection of the interconnection and delivery points such as reduced curtailments, congestion relief, or energy storage capacity.
8. If pricing with Interconnection Cost Sharing is offered, describe the basis for each of the submitted P90, P50 and P10 interconnection cost estimates) as entered in the ODF), and provide any supporting documentation, including a study by an independent third party.
9. Demonstrate that the project meets the Meshed Ready requirements set forth in Appendix G and is capable of future operability if recommended by the New York State Public Service Commission for interconnection to the Meshed Network.

#### **6.4.9 Fossil Repurposing Proposal**

Fossil Repurposing Proposals must demonstrate usage rights and authority to carry out such a repurposing as further described in Section 2.1.7. Proposers are required to submit a plan for conversion of the existing facility explaining what the new purpose or function of the infrastructure would be.

Further information regarding the required contents of Fossil Repurposing Proposals is set forth in Sections 2.1.7 and 3.2.7.

#### **6.4.10 Environmental Assessment and Permit Acquisition Plan**

Proposers are required to demonstrate a plan for environmental assessment and permit acquisition for the Offshore Wind Generation Facility. Proposers should provide the following information:

1. Provide a comprehensive list of all the permits, licenses, and environmental assessments and/or environmental impact statements required to construct and operate the Project. Along with this list, identify the governmental agencies that are responsible for issuing approval of all the permits, licenses, and environmental assessments and/or environmental impact statements. If a Proposer has secured any permit or has applied for a permit, please indicate this in the response.
2. Provide the anticipated timeline for seeking and receiving the required permits, licenses, and environmental assessments and/or environmental impact statements. Include a Project approval assessment which describes, in narrative form, each segment of the process, the required permit or approval, the status of the request or application and the basis for projection of success by the milestone date. All requirements should be included on the Project schedule in as described in Section 6.4.12.
3. Provide the SAP and COP, if completed. If the SAP and/or COP are not completed, provide the status of development of these plans and a proposed plan and timeline for completion.

#### **6.4.11 Engineering and Technology**

Provide information about the specific technology or equipment including the track record of the technology and equipment and other information as necessary to demonstrate that the technology is viable.

1. Provide a preliminary engineering plan which includes at least the following enumerated information. If specific information is not known, identify manufacturers, vendors, and equipment that will be considered.
  - a. Type of foundation, Offer Capacity, and generator lead line transmission technology
  - b. Major equipment components to be used, including nacelle, hub, blade, tower, foundation, transmission structures and platforms, electrical equipment and cable
  - c. Manufacturer of each of the equipment components as well as the location of where each component will be manufactured
  - d. Status of acquisition of the equipment components
  - e. Status of any contracts for the equipment Proposer has or Proposer's plan for securing equipment and the status of any pertinent commercial arrangements
  - f. Equipment vendors selected/considered
  - g. Track record of equipment operations
  - h. Design considerations (technology selection, layout) for climate adaptation and resiliency such as sea level rise and dynamic flooding events, potential impacts from increased frequency and severity of storms (i.e. superstorms, hurricanes), seismic activity, etc.
  - i. Design considerations that help to support responsible disposal and or recycling of components after the end of their useful life and equipment plans that generally aim to consider the precepts of the circular economy.
  - j. In the event the equipment manufacturer has not yet been selected, identify in the equipment procurement strategy the factors under consideration for selecting the preferred equipment, including alignment with the considerations above, as well as the anticipated timing associated with the selection of the equipment manufacturer, including the timing for binding commercial agreement(s).
2. Describe the lighting controls that will be utilized on the Offshore Wind Generation Facility and explain how these controls comply with the minimum contract standards and the Offshore Wind Orders.

#### **6.4.12 Project Schedule**

A Proposer must demonstrate that its Project can be developed, financed, and constructed within a commercially reasonable timeframe. Proposer is required to provide sufficient information and documentation showing that Proposer's resources, process, and schedule are adequate for the acquisition of all rights, permits, and approvals for the financing of the Project consistent with the proposed milestone dates that support the proposed Commercial Operation Date(s).

Proposers are required to provide a complete critical path schedule for the Project from the notice of award to the start of commercial operations. Provide a detailed Gantt chart equivalent in a working Excel file (the required Project Schedule attachment) For each Project element listed below, provide the start and end dates:

1. Identify the elements on the critical path. The schedule should include, at a minimum, preliminary engineering, financing, acquisition of real property rights, Federal, state and/or local permits, licenses, environmental assessments and/or environmental impact statements (including anticipated permit submittal and approval dates), completion of interconnection studies and approvals culminating in the execution of the Interconnection Service Agreement, financial close, engineer/procure/construct contracts, start of construction, construction schedule, and any other requirements that could influence the Project schedule.
2. Describe the anticipated permissible offshore construction windows, and how the construction milestones will be accommodated within these windows.
3. Detail the status of all critical path items, such as receipt of all necessary siting, environmental, and NYISO approvals.

#### **6.4.13 Construction and Logistics**

This section of the Proposal addresses necessary arrangements and processes for outfitting, assembly, storage, and deployment of major Project components such as turbine nacelles, blades, towers, foundations, and transmission support structures. Please provide a construction and logistics plan that captures the following objectives:

1. List the major tasks or steps associated with deployment of the proposed Project and the necessary specialized equipment (*e.g.*, vessels, cranes).
2. Identify the marine terminals and other waterfront facilities that will be used to stage, assemble, and deploy the Project for each stage of construction.
  - a. If available, evidence that Proposer or the equipment/service provider have right(s) to use a marine terminal and/or waterfront facility for construction of the Project (*e.g.*, by virtue of ownership or land development rights obtained from the owner).
  - b. If not available, describe the status of acquisition of real property rights for necessary marine terminal and/or waterfront facilities, any options in place for the exercise of these rights and describe the plan for securing the necessary real property rights, including the proposed timeline. Include these plans and the timeline in the overall Project schedule in Section 6.4.12.
  - c. Identify any joint use of existing or proposed real property rights for marine terminal or waterfront facilities.
3. Describe the proposed approach for staging and deployment of major Project components to the Project site. Include a description and discussion of the laydown facility/facilities to be used for construction, assembly, staging, storage, and deployment.

4. Indicate the number, type and size of vessels that will be used, their respective uses, and how vessels will be secured for the required construction period. Explain how Proposer's deployment strategy will conform to requirements of the Merchant Marine Act of 1920 (the Jones Act).
5. List the party or parties responsible for each deployment activity and describe the role of each party. Describe the status of Proposer's contractual agreements with third-party equipment/service providers.

#### **6.4.14 Fisheries Mitigation Plan (See Appendix D)**

Proposers must include in their Proposal a Fisheries Mitigation Plan in as much detail as possible that describes how Proposer will mitigate adverse impacts on the commercial fishing industry that may be caused by the Project. A narrative description of the Fisheries Mitigation Plan should be included in the Proposal Narrative. The Fisheries Mitigation Plan itself should be submitted as the required Fisheries Mitigation Plan attachment. Both confidential and public versions of the Fisheries Mitigation Plan must be included in the Submission. Elements of the Fisheries Mitigation Plan are described in detail in Appendix D. Proposers are advised to review the Fish and Fisheries Study prepared for the New York State Offshore Wind Master Plan with respect to the potential impacts of offshore wind energy development on the fishing industry, and also are advised to include in their mitigation plan the appropriate Best Management Practices described in the Master Plan, its supporting studies and more recent relevant work. NYSERDA recognizes that after submission to the agency, the Proposer may change and update the Fisheries Mitigation Plan to reflect findings during the environmental reviews conducted by BOEM or New York State.

#### **6.4.15 Environmental Mitigation Plan (See Appendix E)**

Proposers must include in their Proposals a detailed Environmental Mitigation Plan that describes how Proposer will mitigate adverse environmental impacts that may be caused by the Project. A narrative description of the Environmental Mitigation Plan should be included in the Proposal Narrative. The Environmental Mitigation Plan itself should be submitted as the required Environmental Mitigation Plan attachment. Both confidential and public versions of the Environmental Mitigation Plan must be included in the Submission. Elements of the Environmental Mitigation Plan are described in detail in Appendix E. Proposers are advised to review the environmental studies prepared for the New York State Offshore Wind Master Plan with respect to the potential impacts of offshore wind energy development on the environment, and also are advised to include in their mitigation plan the appropriate Best Management Practices described in the Master Plan, its supporting studies and more recent relevant work. As with the Fisheries Mitigation Plan, NYSERDA recognizes that after submission to the agency, the Proposer may change and update the Environmental Mitigation Plan to reflect findings during the environmental reviews conducted by BOEM or New York State. NYSERDA encourages Proposers to consider mitigation measures beyond those that may be legally required by environmental reviews completed under NEPA, SEQRA or other review laws.

#### **6.4.16 Stakeholder Engagement Plan (See Appendix F)**

Proposers must include in their Proposals a detailed Stakeholder Engagement Plan that describes stakeholder engagement activities and commitments during the planning, construction, operation, and

decommissioning phases of the Project and associated economic benefits including facilities related to the Investment Plans. Proposers should also include specifics on how representatives of local Disadvantaged Communities will be engaged. Proposers should also consider a plan to engage with Navigation Safety committees.

A narrative description of the Stakeholder Engagement Plan should be included in the Proposal Narrative. The Stakeholder Engagement Plan itself should be submitted as the required Stakeholder Engagement Plan attachment. Both confidential and public versions of the Stakeholder Engagement Plan must be included in the submission. Elements of the Stakeholder Engagement Plan are described in detail in Appendix F. Stakeholder Engagement Plans shall discuss the status of implementing the detailed engagement activities and commitments and provide a reporting framework to include in regular updates to NYSERDA. Include information on specific localized support and/or opposition to the Project of which Proposer is aware. Detailed supporting information, including copies of any agreements with communities and other constituencies impacted by the Project, not already covered in the Fisheries Mitigation Plan or the Environmental Mitigation Plan, and documentation identifying the level of public support for the Project including letters from public officials, community and local interest groups, newspaper articles, *etc.* should be included in the required Letters of Support for the Proposal attachment.

#### **6.4.17 Visibility and Viewshed Impacts**

Proposers must address a Project's visibility from shore. If a Project is proposed to include turbines less than 20 statute miles from the nearest shoreline point of any state, Proposers must explain (i) how the Project will minimize adverse impacts related to visibility of turbines, including potential impacts on the local and state economy and historic and visual resources, such as publicly-accessible viewsheds, and (ii) how consideration of economic and environmental concerns contributed to the proposed distance from shore.

Additionally, all Proposals, regardless of distance from the nearest shoreline, must include a visibility study that presents visual simulations of the proposed Offshore Wind Generation Facility. Visibility studies must include a map or maps along with supporting GIS shape files that depict the nearest coastline, the boundary of the proposed site to be developed and any other reasonable reference points (*e.g.*, coastal cities, historic sites, other wind energy areas). Simulations must be single frame, photographic images with superimposed simulations of the proposed wind turbine technology configured to represent a commercially-scaled and technically feasible scenario that is consistent with the proposed Project including operating capacity, wind turbine size, and generic spacing and configuration. Viewing instructions must be included on each simulation.

Visual simulations must represent, at a minimum, clear, partly cloudy, and overcast conditions during early morning, mid-afternoon, and late day, as well as one simulation at night with the turbines lit under clear conditions. Visual simulations must be provided from a minimum of two representative vantage points which represent the closest points to shore from any turbine within the Offshore Wind Generation Facility and, if applicable, any sensitive or historic viewpoints within 20 statute miles of the

nearest turbine. The visibility study must also include analysis of the percentage of time during which different visibility conditions are expected to occur based on past meteorological data.

The simulations must be provided in a format suitable to be printed or electronically viewed by the public and/or the Scoring Committee.

#### **6.4.18 New York Economic Benefits**

Proposers must submit their claimed Incremental Economic Benefits by Category using the Offer Data Form and support these claims by submitting an Economic Benefits Plan (Appendix C.1). All claimed expenditures and investments should be provided in nominal dollars (U.S.) at the time of Proposal submission. All benefit claims in Category 3 must be specified and quantified to the extent feasible.

The Proposal Narrative should include a high-level narrative summary of the Economic Benefits Plan for each Proposal included in the Submission. The Economic Benefits Plan for each Proposal should be submitted in a separate required Economic Benefits Plan attachment.

The Economic Benefits Plan must include descriptions and supporting documentation for their Incremental Economic Benefits claims, as described below.

This RFP seeks to deliver a coordinated solution to prioritize enabling offshore wind projects in New York and those activities, expenditures, and investments – including specifically the investment of up to \$300 million (subject to legislative approval of the proposed FY 2023 Executive Budget) in New York State Funding in port, manufacturing, or supply chain infrastructure related to offshore wind – which fosters growth of a New York based industry and delivers economic growth in New York.

Every eligible Proposal submitted in response to this RFP, with the exception of the Required Standalone Proposal and any Alternate Proposals that do not include Investment Plans, must include a plan to leverage a portion, or the entirety, of the available New York State Funding. The Economic Benefits Plan and associated claims of Incremental Economic Benefits made for every Proposal must be likewise supported by one or more Investment Plans as described in Appendix C.2.

##### **6.4.18.1 Economic Benefits Plan (See Appendix C.1)**

The purpose of the Economic Benefits Plan is (i) to allow Proposer to document its approach to fulfilling the claims that are provided in the Offer Data Form, (ii) to allow Proposer to explain and justify its Incremental Economic Benefits claims, (iii) to help NYSERDA assess the credibility of the Incremental Economic Benefits claimed in the Offer Data Form, and (iv) to allow the Proposer to capture and explain perceived broader impacts and causal sequence of economic benefits that are otherwise not captured in the Offer Data Form.

In the Economic Benefits Plan, Proposer must also describe the manner in which Proposer will comply with the New York State Supplier Opportunity requirement described in Section 2.2.15. The Economic Benefits Plan should:

1. Provide a description of how Proposer will evidence in post-contracting biannual reports such compliance for any package of work, on Proposer's behalf or on behalf of its Major Suppliers, with respect to information such as:
  - a. The expected scope of work;
  - b. The estimated value of the scope of work;
  - c. The names of New York companies invited to tender; and
  - d. Evidence that New York State companies have been made aware of the opportunity.
2. Identify any exceptions to providing opportunities to New York vendors for those opportunities deemed by Proposer as impractical to be serviced by the New York State supply chain at this time, along with the reason and justification for designating the contracting opportunity as an exception. There are three exceptions to providing opportunities to New York vendors:
  - a. No New York company can reasonably be expected to have the capability to deliver a scope of work in the timescale needed for the Project;
  - b. Proposer or its Major Suppliers have existing or committed contractual arrangements at the time of the offer with suppliers outside of New York; or
  - c. The selection of a New York supplier would be impractical (for example, if the customer for the scope of work is outside of New York) or if it would add significant commercial or technical risk to the Project.

The Economic Benefits Plan should summarize any engagement with third-party organizations that would be involved in the successful delivery of Proposer's claims and commitments. In addition to considering these specific actions in the Stakeholder Engagement Plan, the New York Jobs and Workforce Plan should explain the strategic importance of these commitments and how they fit into overall regional offshore wind market development and identify the duration of any commitment. In the Business and Workforce Engagement Plans, Proposers are encouraged to consider workforce training for New York workers designed to create industry-recognized credentials and skills that are stackable, transportable, or transferable. Workforce Engagement Plans should emphasize where proposed training activities are centered around offshore wind health and safety. Proposers may include proposals to coordinate with pre-apprenticeship programs and use publicly and privately funded workforce development programs or union-affiliated, registered apprenticeship programs. The Business and Workforce Engagement Plan may also explain the strategic importance of supporting, through investment, local manufacturers to shift existing facilities and employees to serve offshore wind component manufacturing.

#### **6.4.18.1.1 Economic Benefits Category 1: Incremental Economic Benefits associated with the Offshore Wind Generation Facility and associated investments other than in Investment Plan Supply Chain Facilities**

Category 1 is comprised of spending, investment, job creation and job retention in New York State. It includes those net expenditures by developers and their supply chains in New York State, including in-state purchases, employment, and payments/benefits to New York State government or other entities. It also includes long-term capital investments or reinvestments in offshore wind-enabling supply chain, infrastructure, workforce development and research and development (R&D) initiatives in the state that will have an enduring impact on the offshore wind industry and the New York State economy, unless

they are associated with an Investment Plan, in which case they should be entered in Category 2. The Proposal will also describe the degree to which the development and construction of the Offshore Wind Generation Facility and associated transmission infrastructure and onshore assets will directly create short and long-term jobs in New York State. Expenditures and jobs related to a complementary and optional clean energy component such as Energy Storage, a grid benefit project, hydrogen, or other electrification or energy transition project may be considered under Category 1 benefits. Purchases of nacelles, blades or cables from an Investment Plan Supply Chain Facility or spending for utilization of an Investment Plan pulpy chain port should be included in Category 1. Indirect or induced benefits related to the expenditure of workers' and proprietors' salaries will not be considered. Expenditures and investments that are associated with construction, operation or maintenance of an Investment Plan Supply Chain Facility are not to be included in Category 1.

Job claims made in Category 1, Economic Benefits Plan via cross reference to the New York Jobs and Workforce Plan will be reviewed for details on recruitment, training, hiring, and retention of existing workers through the reinvestment and rehabilitation of existing facilities for the manufacturing of offshore wind components. With respect to job claims, proposers are encouraged to consider:

1. Specific plans to recruit, train, hire, and retain local workers, and in particular those in Disadvantaged Communities;
2. Coordination, partnerships and/or agreements with various workforce related stakeholders, and in particular those service providers in the outreach, recruitment, and training of historically marginalized workers;
3. Cooperation with organizations for the purpose of providing Disadvantaged Community workers with wrap-around or supportive services;
4. Retraining or upskilling of existing employees at in-state manufacturing facilities converted to manufacturing offshore wind components.

A description of Category 1 expenditure types is provided in Appendix C.1. All Category 1 line items must be appropriately cross referenced in the Offer Data Form.

#### **6.4.18.1.2 Economic Benefits Category 2: Incremental Economic Benefits associated with development and construction of Investment Plan Supply Chain Facilities**

Category 2 is comprised of expenditures and jobs that are specifically associated with development and construction of an Investment Plan Supply Chain Facility receiving New York State Funding. The items in Category 2 of the Economic Benefits Plan, and the ODF, should include all Category 2 Economic Benefits associated with each of the Investment Plans included in the Proposal. All Category 2 line items must be appropriately cross referenced in the ODF.

#### **6.4.18.1.3 Economic Benefits Category 3: Other Economic Benefits**

Category 3 consists of economic benefits to New York State that are expected to be provided but are not included in Category 1 or 2 and therefore not included as contractual commitments. This may include activities that provide opportunities for growth in New York State's offshore wind industry and more broadly support a clean energy economy. Such benefits under Category 3 may be related to offshore

wind specific supply chain, workforce, research, innovation and development, or may be related to the emerging circular economy and encompass deep decarbonization pilot projects and investments that promote energy transformation or grid resiliency.

This category includes programmatic actions that will have desirable impacts on New York State's businesses, workforce, and local communities, but the value of which is not denominated in dollars or jobs. These activities may include impactful actions taken on the part of Proposer to enhance New York energy transition activities, support further offshore wind supply chain development and declining energy costs beyond the Project, encourage local workforces, bring social or health benefits, or otherwise promote economic activity in New York's local communities.

Expenditures associated with offshore wind market or clean energy economy actions should be included in Category 1. The actions and value of those actions and metrics by which they are to be measured should be included in Category 3. Incremental Economic Benefits associated with expenditures and/or jobs should be included in Category 1 or 2 to capture the higher scoring potential under Economic Benefits. For the avoidance of doubt, expenditures or jobs included in Category 3 will receive lower weighting in Economic Benefits than those claimed in Category 1 or 2 and will not be subject to contractual obligations.

Other Economic Benefits that have the potential to benefit New York State may include but are not limited to those actions and/or developments delineated in Appendix C.1. Category 3 input activities are *additional* to the New York State Supplier Opportunity threshold requirement that Proposers must agree to provide companies with the opportunity to offer to provide goods and services to developers of the Project for which there is capability in New York State.

The Economic Benefit Plan must include a written description of the input activities that Proposer will take under Category 3. Where possible, Proposer should seek to quantify the input activities, and provide documentary evidence of past examples of similar activities and the impacts they had and supporting documentation from potential partners or beneficiaries. In general terms, Proposers should describe:

1. The nature of the intended commitment;
2. The timetable for undertaking the activity;
3. A discussion of any risks or uncertainties, including the degree to which it is dependent on factors outside Proposer's control, and describe what these factors are;
4. The potential impact of the activities and the factors that will influence the impact;
5. The resources Proposer will deploy (financial or manpower) to deliver the activity; and
6. The organizations with whom Proposer will work. For example, for workforce training commitments, cooperation with a registered apprenticeship program or a labor management coordinated training program; and
7. The identification of existing New York State Suppliers that can reinvest and retrofit its manufacture facilities to be repurposed to support and supply the growing offshore wind project pipeline in New York and the region.

All Category 3 line items must be appropriately cross referenced in the Offer Data Form.

#### **6.4.18.2 Investment Plan(s) (See Appendix C.2)**

The Investment Plans should describe plans to leverage New York State Funding to support offshore wind staging, manufacturing, and/or other miscellaneous offshore wind related uses of port or manufacturing facilities that create real, persistent and sustainable institutional or labor capabilities in New York State, and that lower the cost of future offshore wind projects.

The Investment Plan(s) associated with the Proposal must align with the Proposer's Economic Benefit Plan(s) and associated claims of Incremental Economic Benefits as described in Appendix C.1 above; specifically, those claimed Incremental Economic Benefits associated with Category 2 that are predicated on New York State Funding. For the avoidance of doubt, New York State funds cannot themselves be counted as part of a Proposal's Incremental Economic Benefits.

The Proposal Narrative should include a high-level narrative summary of each Investment Plan included in the Submission. Each Investment Plan must be submitted in a separate required Investment Plan attachment.

The organization and contents of the Investment Plan should align with the structure outlined in Appendix C.2. If a Proposer's submission includes multiple Eligible Investment Sites, a separate Investment Plan and IPDF must be submitted for each Eligible Investment Site.

Investment Plans should additionally describe economic benefits associated with the supply chain facility that do not qualify as Project economic benefits, specifically Category 4 and Category 5.

##### **6.4.18.2.1 Economic Benefits Category 4: Incremental Economic Benefits associated with operation and maintenance of Investment Plan Supply Chain Facilities**

Category 4 is comprised of expenditures and jobs that are specifically associated with operation and maintenance of an Investment Plan Supply Chain Facility receiving New York State Funding. Category 4 economic benefits will not be included in the Expected Total Dollars for purposes of the Agreement but will be included in the Investment Plan Supply Chain Facility's funding agreement.

##### **6.4.18.2.2 Economic Benefits Category 5: Other economic benefits that the Proposer reasonably expects to accrue in connection with New York State Funding of the Investment Plan**

Category 5 is comprised of economic benefits to New York State that are expected to be provided as a result of New York State Funding of the Investment Plan but are not included in Category 2 or 4 and therefore not included as contractual commitments.

#### **6.4.18.3 New York Jobs and Workforce Plan (See Appendix H)**

Proposers must include in their Proposals a detailed New York Jobs and Workforce Plan that describes the Project's impact and benefit to New York's offshore wind workforce with specific focus on recruiting and collaborating with skilled trades / labor unions, members of Disadvantaged Communities, Minority Women Owned Business Enterprises (MWBEs), and Service-Disabled Veteran-Owned Businesses (SDVOBs). A narrative description of the New York Jobs and Workforce Plan should be included in the

Proposal Narrative. The New York Jobs and Workforce Plan itself should be submitted as the required New York Jobs and Workforce Plan attachment. Elements of the New York Jobs and Workforce Plan are described in detail in Appendix H.

Proposers are encouraged to consider workforce training for New York workers designed to create industry-recognized credentials and skills that are stackable, transportable, or transferable. The New York Jobs and Workforce Plan should emphasize where proposed training activities are centered around health and safety. Proposers may include proposals to coordinate with pre-apprenticeship programs and use publicly and privately funded workforce development programs or union-affiliated, registered apprenticeship programs. The New York Jobs and Workforce Plan may also explain the strategic importance of supporting, through investment, local manufacturers to shift existing facilities and employees to serve offshore wind component manufacturing.

#### **6.4.18.4 MWBE and SDVOB Economic Benefits**

Proposals will be required to state the amount of Incremental Economic Benefits that will accrue to MWBE and SDVDB contractors and subcontractors. These Incremental Economic Benefits will receive greater weight in scoring and will be included in the Agreement as further described in Appendix C.1.

#### **6.4.19 Reducing Carbon Emissions and Embodied Carbon**

Proposers are required to describe how the Project will actively support the outcomes envisioned by New York's State's nation-leading climate legislation, the Climate Act, including its target of reducing greenhouse gas emissions 85% by the year 2050. In fulfillment of which, the Proposal should demonstrate a commitment to understanding the carbon footprint of the Project overall and a description of how, by design, the Project is actively seeking opportunities to reduce the amount of embodied carbon.

Proposers are required to describe how projects are anticipated to offset emissions and contribute toward New York State's decarbonization goals by displacing fossil generation where applicable. Where the Project deliverability requires system upgrades, proposers are encouraged to seek solutions that utilize or repurpose existing fossil fuel assets. The Proposal Narrative should explain the anticipated emissions effects and causal sequence of repurposing fossil fuel-based electricity generation assets, including any emissions that may result from how that fossil fuel asset and local demand is replaced. For Proposals including Energy Storage, the Energy Storage must be addressed in the carbon accounting and minimization plan to the extent possible. Energy Storage projects may directly displace carbon emissions if sited in strategic grid locations which facilitate offsetting fossil fuel generation in downstate New York.

To begin to provide some basic accountability for embodied carbon, the Proposal must describe the efforts undertaken by the Proposer, including any tools or methodologies used, to better understand and consider carbon intensity in design, sourcing and construction, and the steps that have been taken to minimize carbon emissions, including embodied carbon, from the proposed Project. The Proposer should also propose the methodology by which such reduction activities will be considered and integrated into the Project's design as the project evolves. Finally, the Proposer should include the

proposed process by which the Proposer will validate, following commissioning of the Project, a final accounting of the Project's embodied carbon, including any methodology and certifiable environmental product declarations, to promote disclosure of the Project's ultimate carbon footprint and relatedly, the Project's energy and carbon payback periods.

#### **6.4.20 Energy Storage**

For Proposals that include Energy Storage, the Proposer must provide a complete description and overview of the Energy Storage, describing the area included in and surrounding the Energy Storage site, local zoning, other applicable ordinances and municipal laws, the existing land use (e.g., woodlands, brownfield, agriculture, other) and setting (e.g., rural, urban, suburban, other) and what the Energy Storage site has been used for in the recent past. Provide a map indicating the proposed location of the Energy Storage.

Describe prior experience with Energy Storage development. Describe any community engagement that the Proposer has undertaken related to the Energy Storage. The Proposer must provide a complete description of the benefits and burdens associated with the development of the Energy Storage on any host communities or proximate communities designated as Disadvantaged Communities.

Include and describe the status and development stage of Energy Storage (development, construction, or operation). Describe the financing plan for the Energy Storage. Identify the required permits and plan to acquire them and provide a development schedule. Include information about the specific technology or equipment considered or selected, major equipment to be used, manufacturer or vendors considered or selected, equipment acquisition status, and equipment contract/agreement status.

Confirm that the Energy Storage will be included in the carbon accounting and treatment of embodied carbon utilized for the Project, or describe the different approach to carbon to be utilized for the Energy Storage.

The Proposer must provide a complete description and overview of the planned interconnection of the Energy Storage, including how the Proposer plans to gain interconnection site control and any rights that must be obtained by the Proposer or interconnecting utility for the Energy Storage interconnection and a timeline for acquiring such rights. If applicable, fully describe the relationship of the site to other adjacent infrastructure, including planned or alternate points of interconnection. If the Proposer is planning on using an adjacent parcel or if the right of way is controlled by or assignable to the interconnecting utility that will own the interconnection facilities, clearly explain this in the narrative. Specify and describe the current or new interconnection facilities (lines, transformers, switching equipment, system control protection, etc.) that the Proposer owns or is intending to construct or have constructed.

Provide all assumptions used in preparing the energy profile provided in Part III of the Offer Data Form, and explain how the energy profile relates to the intended deployment strategy. The Proposer must provide the following:

1. System operating parameters
  - Manufacturer and model for major components (battery and inverter units, etc.), if known

- Maximum continuous power (MW or kW, AC)
  - Total energy (MWh or kWh, AC)
  - Duration (hours)
  - Round trip efficiency (%)
2. Available specification sheets from manufacturer
  3. Expected system degradation over the proposed operating period, schedule for re-racking if applicable, and expected useful life
  4. If Energy Storage will be located at the Offshore Wind Generating Facility's Delivery Point, provide a diagram showing the arrangement of storage unit(s), inverter(s), meter(s), and interconnection.

Proposer must fully describe the intended deployment and dispatch of the storage system over the contract term, and how the deployment will provide benefits to the downstate electric grid, including advancement of New York State's decarbonization goals. Example deployments may include:

- Dispatched to provide renewable integration and firm up a variable renewable energy resource
- Dispatched dynamically to reduce system peak demand or energy cost to load
- Available to provide ancillary services, e.g., reserves, voltage control, frequency regulation
- Available to provide distribution system support

Proposers are strongly encouraged to provide an assessment of the Energy Storage's impacts on regional transmission constraints and any benefits to local congestion and/or curtailment that is observed today or estimated due to the operation of future proposed generators.

If an award includes Energy Storage, the Proposer must agree to reasonably participate in an Energy Storage Technical Working Group (ES TWG) and its associated activities.

## **6.5 Proposer Certification**

Proposer must complete and submit the Proposer Certification Form in Appendix B. The Proposer Certification Form must be signed by an authorized officer or other duly authorized representative of Proposer.

## **6.6 Exceptions to Agreement**

If Proposer is proposing any exceptions to the Agreement, included as Appendix I, Proposer must provide a redlined markup of the Agreement and provide an explanation and justification for each requested change.

Note that ORECRFP22-1 is a competitive procurement. Competitive procurement rules and the Offshore Wind Orders limit NYSED's ability to alter the terms of the Agreement. Should the Project receive an award, NYSED will contact Proposers to schedule a discussion regarding the terms identified in the redlined markup of the Agreement. Requested changes that recognize the limitations imposed by the competitive procurement rules and the Offshore Wind Orders will have no impact on the scoring or evaluation of the Proposal.

## **7 POST-AWARD PROCESS**

### **7.1 Provision of Contract for Execution**

Upon successful completion of negotiations regarding the terms and conditions, NYSERDA will prepare a conformed copy of the Agreement (Appendix I) which will be delivered to the awarded Proposer, in a manner to be agreed upon, for Proposer's execution and return. NYSERDA may rescind an award should negotiations with the Proposer fail or should such negotiations continue unsuccessfully beyond a reasonable time beyond the initial Award Notification Date.

### **7.2 Provision of Investment Plan Contracts for Execution**

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.

### **7.3 Provision of Contract Security**

Upon successful completion of negotiations, Awardees will be required to provide Contract Security as described in Article XV of the Agreement.

## **8 GENERAL CONDITIONS**

### **8.1 Proprietary Information**

Consideration should be given before confidential information is submitted to NYSERDA as part of any Proposal. Proposers should consider and review whether information is critical for evaluation, and whether general, non-confidential information may be adequate for review and evaluation purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. The Public Officers Law includes exceptions to disclosure, including Section 87(2)(d) which provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Additional information submitted to NYSERDA that Proposer wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to except it from disclosure, including a written statement of the reasons why the information should be excepted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 <http://www.nyserda.ny.gov/About/-/media/Files/About/Contact/NYSERDA-Regulations.ashx>.

However, NYSERDA cannot guarantee the confidentiality of any information submitted. NYSERDA reserves the right to make public, after the fifth anniversary of the award date, the Agreement executed with any awarded Proposal.

### **8.2 State Finance Law Sections 139-j & 139-k**

NYSERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements which can be found at <http://www.ogs.ny.gov/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>

Proposer must certify that he/she will comply with State Finance Law sections 139-j and 139-k and a provide disclosure statement regarding whether Proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.

### **8.3 Tax Law Section 5-a**

NYSERDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSERDA having a value in excess of \$100,000, to certify to the Department of Taxation and Finance (the Department) whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. See, ST-220-TD (available at [http://www.tax.ny.gov/pdf/current\\_forms/st/st220td\\_fill\\_in.pdf](http://www.tax.ny.gov/pdf/current_forms/st/st220td_fill_in.pdf)). Prior to contracting with NYSERDA, the prospective contractor must also certify to NYSERDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a prospective

contractor prior to contacting and filed with NYSERDA. See, ST-220-CA (available at [http://www.tax.ny.gov/pdf/current\\_forms/st/st220ca\\_fill\\_in.pdf](http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf)). The Department has developed guidance for contractors which is available at <http://www.tax.ny.gov/pdf/publications/sales/pub223.pdf>.

#### **8.4 Omnibus Procurement Act of 1992**

It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as Proposers, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development  
Division for Small Business  
30 South Pearl Street  
Albany, NY 12245

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development  
Minority and Women's Business Development Division  
30 South Pearl Street  
Albany, NY 12245

#### **8.5 Disclosure Requirement**

Proposer shall disclose any indictment for any felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States and shall describe circumstances for each. When a Proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment, investigation, enforcement proceeding, or conviction should come to the attention of NYSERDA after the award of a contract, NYSERDA may exercise its stop-work right pending further investigation, or terminate the agreement; the contractor may be subject to penalties for violation of any law which may apply in the particular circumstances. Proposers must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

#### **8.6 Press Releases and Media Contact**

Proposer shall not distribute any press release or contact the media until after the Agreement is executed by both parties and any New York State press releases regarding the awards have been issued. If Proposer wishes to contact the press regarding the award, Proposer must collaborate with NYSERDA's Designated Contacts and Director of Communications to prepare any press release and/or to plan for any announcement. NYSERDA reserves the right to make public, after the fifth anniversary of the Award Notification Date, the Agreement executed with any awarded Project.

### **8.7 Independent Entities/Limitation of Liability**

Neither this RFP nor any other aspect of this solicitation shall create an agency, partnership, joint venture, or co-tenancy relationship among the members of the Evaluation Team or any other individuals or entities involved in the development or administration of this RFP (collectively, the “RFP Parties”), nor any other relationship or liability beyond those (if any) explicitly adopted in writing and executed by authorized representatives of the applicable RFP Parties. None of the RFP Parties shall be liable for any act or omission of any other RFP Party. Neither this RFP nor any other aspect of this solicitation creates or is intended to create third-party beneficiaries hereunder. In no event will an RFP Party be liable to any person for special, incidental, punitive, exemplary, indirect or consequential damages or lost profits, whether by statute, in tort or contract or otherwise.

### **8.8 Executive Order No. 14**

In accordance with Executive Order No. 14, no institution or company that is headquartered in Russia or has its principal place of business in Russia (“Russian entity”) or providing assistance to the Russian government in its campaign to invade the sovereign country of Ukraine, either through in-kind support or for-profit (“Supporting entity”) shall be eligible for this solicitation. Each Proposer shall be required to certify in the Proposer Certification Form that neither the Proposer nor any associated Funding Recipient is (i) a Russian entity or (ii) a Supporting entity, in each case as defined above and in Executive Order No. 14.