

Appendix C.2

Supply Chain Investment Plan Requirements

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

New York State intends to invest these resources in a manner that maximizes benefits across New York State and establishes New York as the regional offshore wind hub and industry leader on every level of the value chain. Accordingly, through this RFP, NYSERDA is targeting the distribution of \$300 million of New York State Funding for investments in offshore wind port, manufacturing, and supply chain infrastructure that localize Primary Component or Sub-component manufacturing, including steel production for use in the offshore wind supply chain. NYSERDA may award greater than or less than \$300 million to Supply Chain Investment Plans through this RFP at its sole discretion. Supply Chain Investment Plans must demonstrate that each proposed SCIP Facility requires New York State Funding in order to be viable.

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

A Supply Chain Investment Plan may be conditional on a threshold minimum offtake level of SCIP Facility utilization across the array of awarded Proposals, including the Proposal that includes the SCIP and any Purchase Commitment Proposals selected by NYSERDA. Proposals that include a conditional Supply Chain Investment Plan will be awarded only if the specified minimum offtake level is met in aggregate through awards to the Proposal that includes the SCIP plus one or more Purchase Commitment Proposals (or other Proposals that include commitments that satisfy the conditionality as stated in the Supply Chain Investment Plan).

New York State Funding would be provided at critical milestones in a SCIP Facility's development and/or construction phase. For purposes of this RFP, Proposers should assume disbursements occur on the following schedule, as elaborated on in the SCIP Facility Funding Agreement, unless the Supply Chain Investment Plan demonstrates a need and justification for a different schedule:

- 50% at commencement of construction works,
- 25% at final completion of the Proposed SCIP Facility Investment, and
- 5% at the end of each of the first five years of the SCIP Facility's operation.

If a Supply Chain Investment Plan includes multiple SCIP Facilities, this disbursement schedule will apply separately to each SCIP Facility's progress and associated New York State Funding.

If a SCIP Facility becomes eligible for and obtains SCIP Facility Qualifying Federal Support, there will be an adjustment to the amount of New York State Funding provided to the SCIP Facility to provide for a sharing of the SCIP Facility Qualifying Federal Support between NYSERDA and the Funding Recipient. The adjustment will be computed as described in the SCIP Facility Funding Agreement such that 50% of the net benefit of the SCIP Facility Qualifying Federal Support would be applied to a reduction in the amount of New York State Funding for the SCIP Facility, as appropriate. The net benefit of the SCIP Facility Qualifying Federal Support will account for increased costs related to development and/or construction that the SCIP Facility must incur in order to qualify for SCIP Facility Qualifying Federal Support.

As further described in Section C.2.C.10, SCIP Facility Funding Agreements with Funding Recipients will include (i) committed expenditures during development and construction of the SCIP Facility and (ii) committed annual expenditures and long-term jobs during operation.

Quarterly progress reporting is required during the design and construction phases of the SCIP Facility as described in Section V of the SCIP Facility Funding Agreement. If selected for award, Funding Recipients will be expected to provide preliminary quarterly reports prior to execution of the SCIP Facility Funding Agreement.

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

Proposers are also encouraged to seek NY Green Bank Financing in connection with their Supply Chain 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>.

The terms of this Appendix C.2 apply to the Required Base Proposal and Alternate SCIP Proposals as described in ORECRFP22-1 Section 2.1.4 but not to Required Standalone Proposals or Alternate Standalone Proposals.

Specific terms and funding mechanics associated with New York State Funding will be established in the manner discussed in Section C.2.A below and in ORECRFP22-1 Section 7.2. Proposers are encouraged to minimize their request for New York State Funding, while not compromising the financial viability of the Supply Chain Investment Plan.

C.2.A Supply Chain Investment Plan Eligibility Requirements

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 or its affiliate will make a contractual capital commitment (which may be in the form of a cash investment, anchor order or other type of capital depending on the approach taken in the Proposal) to the Supply Chain Investment Plan. This contractual commitment by the Proposer will be unconditional and will provide that to the extent the applicable SCIP Facility is not available due to reasons beyond the Proposer's control, the Proposer will be required to make an alternative investment of equal or greater value reasonably acceptable to NYSERDA. If the counterparty to the capital commitment agreement is not an Acceptable Guarantor (as defined in the Agreement), a letter of credit meeting the requirements described in the Agreement in the amount of the commitment must be provided.

Simultaneously, NYSERDA will work with the Funding Recipient(s) to finalize the form of a SCIP Facility Funding Agreement for each SCIP Facility covering the terms and conditions of the New York State Funding, based on the form of the SCIP Facility Funding Agreement attached as Appendix J to ORECRFP22-1.

If a SCIP is awarded, each Funding Recipient associated with a SCIP Facility included in that SCIP must, within 10 business days, issue "SCIP Award Security" to NYSERDA in the form of a letter of credit for an amount equal to 2% of the New York State Funding awarded to that Funding Recipient. For example, if a Funding Recipient is awarded \$100 million of New York State Funding, the SCIP Award Security for that Funding Recipient would be for \$2 million.

The SCIP Award Security letter of credit must be unconditional and provide that it can be drawn by NYSERDA if the SCIP Facility Funding Agreement is not executed on or before the date that is 30 calendar days following the date stated in the SCIP as the latest expected time of completion of the State Environmental Equality Review Act permitting for the SCIP Facility, unless (i) such deadline is extended by NYSERDA in its sole discretion, (ii) there is a delay in execution of the SCIP Facility Funding Agreement that is solely attributable to NYSERDA or (iii) there is a delay in the execution of the SCIP Facility Funding Agreement caused by a Force Majeure (as such term is defined in the Agreement). Upon execution of the SCIP Facility Funding Agreement, (i) the SCIP Award Security will be released and (ii) the Funding Recipient will be required to provide "SCIP Contract Security" in the form of a letter of credit for an amount equal to 4% of the New York State Funding awarded to that Funding Recipient, as further

described in the SCIP Facility Funding Agreement. The SCIP Contract Security will be released upon commencement of construction of the SCIP Facility.

As further described in Section 2.1.2 of the RFP, Proposers are prohibited from entering into any arrangement with any Funding Recipient, landowner, developer or proposed end-user of a SCIP Facility that materially restricts the ability of such parties to collaborate with other Proposers in developing Supply Chain Investment Plans, and Proposers are required to certify in the Proposer Certification Form that no such arrangement exists.

NYSERDA reserves the right to engage in counteroffers with Proposers with regard to proposed Supply Chain Investment Plans based on feedback from the SCIP Scoring Committee's review. For example, to the extent the SCIP Scoring Committee determines that the amount of requested New York State Funding is not required for the Supply Chain Investment Plan to be viable, NYSERDA reserves the right to make a counteroffer with a reduced amount of New York State Funding.

C.2.A.1 Fundability Thresholds

A Supply Chain Investment Plan can be submitted for any SCIP Facility or portfolio of SCIP Facilities as part of the Required Base Proposal and Alternate SCIP Proposals per ORECRFP22-1, Section 2.1.2. For clarity, in its submission to this RFP, a Proposer can submit multiple Proposals that include different Supply Chain Investment Plans involving multiple SCIP Facilities. A Proposer can also submit multiple Supply Chain Investment Plans that include the same SCIP Facility, to account for different uses, different funding approaches, or any other variation in the planned development approach. Likewise, a SCIP Facility is eligible to support multiple Proposers under this current RFP.

C.2.A.1.a. Investment Thresholds

Requests for New York State Funding must be matched within a Supply Chain Investment Plan by at least \$2.00-for-\$1.00 (\$2.00 of non-New York State Funding for every \$1.00 of New York State Funding).¹ To count towards such ratio, the non-New York State Funding must be used for SCIP Facility development and construction, not operational costs.

Proposers may apply for up to \$300 million of New York State Funding towards Eligible Expenses, as identified in Section C.2.A.2, for any Supply Chain Investment Plans that include localizing blade or nacelle manufacturing and up to \$150 million of New York State Funding for Supply Chain Investment Plans that do not include localizing blade or nacelle manufacturing. Supply Chain Investment Plans requesting amounts outside of this range will be considered only if the Supply Chain Investment Plan demonstrates an extraordinary need for a different amount of New York State Funding.

A Supply Chain Investment Plan must have a total investment value, between New York State Funding and non-New York State Funding, of at least \$300 million. Each individual SCIP Facility must have a total investment value (between New York State Funding and non-New York State Funding) of \$25 million. Proposers are encouraged to include in Supply Chain Investment Plans a Proposed SCIP Facility Activity

¹ Funding from public entities other than New York State Funding can be counted as non-New York State Funding.

such as Primary Component manufacturing or port investment, along with smaller supporting investments.

C.2.A.1.b. Jobs and Activity Thresholds

Each SCIP Facility seeking New York State Funding to localize port, blade, nacelles, cables or foundation activity as part of a Supply Chain Investment Plan should meet the following activity thresholds. Investments which do not meet the minimum thresholds below, or comparable levels for similar activities, may be considered in the Project’s Economic Benefits Plan without receiving New York State Funding and may contribute to Total Expected Dollars via Category 1 as described in Appendix C.1. The long-term direct jobs thresholds stated below apply specifically to the SCIP Facility’s operations phase.

- For a port infrastructure investment to be eligible for New York State Funding, the Proposed SCIP Facility Investment must:
 - a. Include at a minimum, support for regional offshore wind activity through staging or marshaling, construction, or services; and
 - b. Support at least 100 long-term direct jobs at the port or on vessels operating out of the port, including port operations and offshore wind developer utilization of the port. NYSERDA recognizes that this may require a port to team with prospective tenants or port users, and NYSERDA encourages such teaming.
- For a blade production facility to be eligible for New York State Funding, the Proposed SCIP Facility Investment must:
 - a. Include the entirety of the blade production processes from layup through casting and final finishing and quality control processes; and
 - b. Support at least 500 long-term direct jobs.
- For a nacelle production facility to be eligible for New York State Funding, the Proposed SCIP Facility Investment must:
 - a. Include at a minimum, full hub production, full backend production, final assembly as well as quality control processes; and
 - b. Support at least 200 long-term direct jobs.
- For a cable production facility to be eligible for New York State Funding, the Proposed SCIP Facility Investment must:
 - a. Include at a minimum, wire drawing, annealing, twisting and stranding, extrusion, cabling, testing, spooling; and
 - b. Support at least 150 long-term direct jobs.
- For a foundation production facility to be eligible for New York State Funding, the Proposed SCIP Facility Investment must:
 - a. Include at a minimum, rolling and welding of cylindrical cans or steel pipe, blasting and coating of cans, and assembly; and
 - b. Support at least 200 long-term direct jobs.
- For Sub-component production or other supply chain activities to be eligible for New York State Funding, the Proposed SCIP Facility Investment must support a number of long-term direct jobs commensurate with the Proposed SCIP Facility Activity.

If a SCIP Facility cannot consistently support year-round long-term direct jobs at the applicable required threshold level due to intermittent staffing requirements, the jobs threshold can be met through a demonstration of average annual full-time employee equivalents, with an FTE equivalent defined as 2,080 hours per year. SCIP Facilities relying on this approach to meet the jobs threshold must provide a rationale for being unable to support long-term jobs.

C.2.A.2 Eligible Expenses

New York State Funding can be used to fund certain types of tangible assets required for the development and construction of infrastructure to support the offshore wind industry. Expenses eligible for funding (Eligible Expenses) must be critical for the development and/or construction of the SCIP Facility, be for areas located within the SCIP Facility site, and should align with any of the below categories:

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

Eligible Expenses must have been incurred on or after the Economic Benefits Start Date.

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

C.2.B Supply Chain Investment Plan Evaluation

The Supply Chain Investment Plan and SCIPDF will be the basis of evaluation. Each Supply Chain Investment Plan will be initially evaluated by the SCIP Scoring Committee independently from the Proposal content that is not directly related to the Supply Chain Investment Plan. Evaluation of each Supply Chain Investment Plan will result in a determination of “fundable” or “not fundable”, where the determination of a Supply Chain Investment Plan as “not fundable” would eliminate any Proposal that includes that Supply Chain Investment Plan from consideration for award under this RFP. Any Proposal for which the included Supply Chain Investment Plan is determined to be “fundable” will remain eligible for award consideration under this RFP.

To be deemed “fundable,” a Supply Chain Investment Plan must, at a minimum, meet the fundability thresholds stated in Section C.2.A.1. Supply Chain Investment Plans that meet or exceed the fundability thresholds will be evaluated using the evaluation criteria set out below. The content of the Supply Chain Investment Plan should fully address these criteria, where applicable.

For Supply Chain Investment Plans that include multiple SCIP Facilities, each SCIP Facility will be determined to be “fundable” or “not fundable.” Any SCIP Facility that is determined to be “not fundable” will be removed from the Supply Chain Investment Plan. If after such removal of the SCIP Facility the Supply Chain Investment Plan still meets the threshold requirements listed in Section C.2.A (including the minimum aggregate investment amount), NYSERDA will provide the Proposer a short, one-time opportunity to provide an updated Index OREC Strike Price or Fixed OREC Price that reflects such removal.

If an awarded Proposal includes a Supply Chain Investment Plan with one or more SCIP Facilities that are ultimately not realized, NYSERDA may request that the Seller incorporate an alternate SCIP Facility that was deemed fundable by the SCIP Scoring Committee or otherwise approved by NYSERDA.

Proposals with fundable Supply Chain Investment Plans will be eligible to receive up to 5 Economic Benefits points (out of the 20 total Economic Benefits points available) based on the overall strength of the Supply Chain Investment Plan, with an emphasis on economic benefits to New York State.

C.2.B.1 Need for New York State Funding

This evaluation criterion considers whether the Supply Chain Investment Plan has demonstrated that each proposed SCIP Facility requires New York State Funding in order to be viable. Both the description of funding sources and the budget must include sufficient detail to allow the SCIP Scoring Committee to evaluate whether the Supply Chain Investment Plan requires the requested New York State Funding to be viable. The SCIP Scoring Committee may request additional detail from the Proposer and/or the Funding Recipient(s) to inform its determination.

C.2.B.2 Viability

This evaluation criterion considers several factors that together demonstrate the likelihood of each SCIP Facility to be in service at a time in agreement with the schedule provided in the SCIPDF and in alignment with the Project schedule. Proposers are encouraged to demonstrate in their Supply Chain

Investment Plans the ability to reach commercial operation on a timeline that will allow the included SCIP Facilities to support the near-term offshore wind industry, demonstrate the maturity of the development plans, the feasibility of the technical and logistical plans, and the experience, expertise, and financial resources of the Proposer and/or Funding Recipient.

SCIP Facilities will be evaluated with a focus on the following key categories:

1. Proposed SCIP Facility development and construction schedule and risk, with a preference for those plans that can demonstrate the ability to serve the offshore wind industry as soon as possible;
2. Relevant experience of the Proposer or Funding Recipient;
3. Demonstration of site control – a binding agreement such as ownership, lease or an option to purchase or lease will be evaluated more favorably than a memorandum of understanding or non-binding agreement;
4. Permitting plan and current permitting status for federal, state, and local requirements;
5. Identification of environmental issues/concerns and a description of how they are being addressed;
6. Any physical barriers restricting the ability of the SCIP Facility to support the Proposed SCIP Facility Activity;
7. Technology risk associated with the Proposed SCIP Facility Activity and Proposed SCIP Facility Investment;
8. Strength of insurance program;
9. Responsible development, climate adaptation and resiliency; and
10. Community and stakeholder outreach and support, and corresponding commitments in the Stakeholder Engagement Plan.

This criterion will be evaluated based on the submission requirements described in Sections C.2.C.1, C.2.C.2, C.2.C.4, C.2.C.5, C.2.C.6 and C.2.C.9.

C.2.B.3 Funding Certainty

This evaluation criterion is based on an assessment of the level of certainty that the non-New York State Funding investments will proceed and be successful based on the degree to which they are contingent upon decisions of other parties.

SCIP Facilities will be evaluated with a focus on the following key categories:

1. Financing plan and current financing status;
2. Demonstration of creditworthiness of relevant parties (*e.g.*, counterparties, underlying technologies, EPC provider(s), revenue certainty, *etc.*), with particular focus on the identified Funding Recipient;
3. Sources, status and schedule for disbursement of non-New York State Funding commitments for required 2:1 matching and any gating considerations for availability of those funds;
4. The level of financial commitment of the Proposer and any other involved third parties, not including any other financial incentives offered by New York State;

5. Revenue contracts and the share of required revenue that is contracted;

This criterion will be evaluated based on the submission requirements described in Section C.2.C.7.

C.2.B.4 Supply Chain Development

This evaluation criterion considers the ability of each SCIP Facility to serve the New York State, eastern seaboard and global offshore wind industry in a manner consistent with the Proposed SCIP Facility Activity in both the near-term and long-term. Supply Chain Investment Plans will be evaluated with a focus on the following key areas:

1. The offshore wind industry's demand for the SCIP Facility and the associated Proposed SCIP Facility Activity, in consideration of other regional facilities that could offer similar uses;
2. The expected time of construction completion, recognizing that SCIP Facilities that are operational earlier may have more direct access to the offshore wind supply chain;
3. The ability of the SCIP Facility and the associated Proposed SCIP Facility Activity to support future generations of offshore wind development, recognizing possible growth in the scale of technology and its supporting infrastructure and through the reinvestment, conversion and rehabilitation of existing facilities for offshore wind supply chain purposes;
4. Status of contracting with suppliers and level of detail in plan to secure remaining needed contracts; and
5. Engagement of existing or new local supply chain partners to support the SCIP Facility.

This criterion will be evaluated based on the submission requirements described in Sections C.2.C.3 and C.2.C.8.

C.2.B.5 Investment Diversity

This evaluation criterion will consider the extent to which New York State Funding will be utilized to support multiple SCIP Facilities engaged in varied Proposed SCIP Facility Activities at different scales as appropriate to meet Project and domestic supply chain needs and roles. Proposers are encouraged to include in Supply Chain Investment Plans a Proposed SCIP Facility Activity such as Primary Component manufacturing or port investment, along with smaller supporting investments.

This criterion will be evaluated based on the portfolio of SCIP Facilities included in the Supply Chain Investment Plan.

C.2.B.6 Economic Benefits

This evaluation criterion will consider:

1. The economic benefits described in Section C.2.C.10;
2. The risk-adjusted job creation and macroeconomic impacts that the Supply Chain Investment Plan is expected to have on New York State's economy;
3. The Supply Chain Investment Plan's ability and plans to provide clean energy transition job opportunities for New York residents who may lose employment in the current transition to a green economy; and

4. The Supply Chain Investment Plan's ability and plans to provide economic opportunities or other benefits to Disadvantaged Communities, MWBEs and SDVOBs. Proposers are encouraged to consult Appendix C.3, which describes categories of benefits to Disadvantaged Communities.

In conducting its evaluation, the SCIP Scoring Committee will consider the detailed descriptions and supporting documentation associated with each claim provided in the Supply Chain Investment Plan. For evaluation purposes, the SCIP Scoring Committee will view favorably those expenditures that are firm, credible and that create persistent and sustainable institutional and/or worker capabilities in New York State.

Economic Benefits in Categories 2 and 4 will be given greater weight in scoring than Category 5 due to their inclusion in the SCIP Facility Funding Agreement as contractual commitments. Similarly, Category 2 and 4 Economic Benefits that will occur after the first five years of each SCIP Facility's operation will be given lower weight in scoring. Jobs claims that are submitted in terms of annual average FTE equivalents will receive lower weight in scoring than year-round long-term jobs commitments.

Within Categories 2 and 4, claims associated with Disadvantaged Communities, MWBEs and SDVOBs will receive greater weight in scoring than claims that do not fall in these subcategories, with lower weight given to claims occurring after the first five years of SCIP Facility operation, and thus not memorialized in the SCIP Facility Funding Agreement.

Category 5 claims will be assessed on the scale of the likely impact of the proposed activities and the firmness of the commitments. In evaluating Category 5, the SCIP 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;
4. magnitude of potential benefits of proposed claims on a protracted time frame.

C.2.B.7 Market Readiness

This evaluation criterion will assess whether the Supply Chain Investment Plan demonstrates that the goods or services provided by the SCIP Facilities can be made available at competitive pricing such that they provide incremental economic value to the offshore wind industry and particularly to offshore wind developments in New York State. This evaluation criterion will also consider how the SCIP Facility will sustainably continue operations in New York State. Supply Chain Investment Plans that are not likely to require additional New York State investment or subsidy to sustain operations and serve the offshore wind market will be evaluated favorably.

C.2.C Supply Chain Investment Plan Submission Requirements

The organization and contents of the Supply Chain Investment Plan should align with the below sections and should be responsive to the evaluation criteria described in Section C.2.B. Each SCIP Facility should

be addressed separately and include all of the requirements described below. Proposers may expand the Supply Chain Investment Plan beyond the below requirements.

A particular Supply Chain Investment Plan can be included in more than one Proposal. If the overall Submission includes different approaches to use or funding of a SCIP Facility, a separate Supply Chain Investment Plan (and therefore a different Proposal) is required for each approach. Proposers should follow the instructions noted in Section 6 of the RFP and the Master Offers Form in indicating which Supply Chain Investment Plan is applicable to each non-Standalone Proposal.

Each Supply Chain Investment Plan must be accompanied by a Supply Chain Investment Plan Data Form (SCIPDF). Proposed terms associated with New York State Funding should be articulated by Proposers in the SCIPDF, as described in ORECRFP22-1 Section 6.3.3, including whether any of the SCIP Facilities in the Supply Chain Investment Plan are conditioned on a threshold minimum offtake level of utilization from the array of Proposals selected for award by NYSERDA.

The Proposer is responsible for preparing the Supply Chain Investment Plan, but Proposers should work with the Funding Recipient(s) and other partners to prepare the required content.

C.2.C.1 Funding Recipient Identification and Development Team Experience

Proposers should first clearly identify each SCIP Facility's Funding Recipient. The Funding Recipient will be responsible for execution of the SCIP Facility and will be evaluated for creditworthiness, as described in Section C.2.B.

Proposers should clearly identify and describe the role of all organizations that will be involved in the implementation of the SCIP Facility, including development, construction and operation.

Proposers should demonstrate the experience and management capabilities of each organization that will contribute to the successful implementation of the SCIP Facility. Supporting materials may include organizational charts, details of specific port or manufacturing facility experience (as applicable), and the resumes of key personnel associated with the SCIP Facility.

Proposers should provide the following information with the Supply Chain Investment Plan about the team responsible for implementation:

1. A management chart that lists the key personnel dedicated to the SCIP Facility, resumes of the key personnel, and a description of key personnel experience successfully developing and/or operating one or more projects of similar size or complexity or requiring similar skill sets.
2. With regard to the project team, identify and describe, including relevant experience, 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. Supply Chain Localization Contact

C.2.C.2 SCIP Facility Description and Site Control

Proposers should identify the SCIP Facility. Proper identification should include geographic information system (GIS) data, address, a description of the surrounding neighborhood, and aerial visuals of SCIP Facility delineation.

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

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

Additionally, proposers should provide a concentric ring map identifying the following points of interest and resources in proximity to the SCIP Facility:

- Public transportation;
- Childcare services;
- Healthcare facilities;

- Workforce centers;
- Wraparound services

Proposers should also identify the current ownership/control of the SCIP Facility, operational structure, and uses of the SCIP Facility as well as for any adjacent site that is relevant to the usage of the SCIP Facility. Applicable deeds, lease agreements, option agreements, memoranda of understanding, letters of support or other documentation showing the level of site control in place for the SCIP Facility should be included as attachments to the Supply Chain Investment Plan. This information should include the terms of any relevant current leases within the site.

C.2.C.3 Proposed SCIP Facility Activity

Proposers should describe the proposed long-term use of the SCIP Facility (Proposed SCIP Facility Activity) as related to offshore wind and align with required activity thresholds as defined in Section C.2.A.1.b. This description should include:

- Role(s) in the offshore wind supply chain;
- Expected end-users of the SCIP Facility, including the proposed operational structure (long-term vs. short-term leases, single user vs. multiple users, etc.);
- Expected duration of use of the SCIP Facility, including how the SCIP Facility will accommodate next generation technology or deepwater projects, and its capacity for other Developers and Projects, including the magnitude of estimated clean energy generation that is expected to be enabled;
- The SCIP Facility's ability to compete with other regional and global offshore wind supply chain facilities; and
- The types of vessels or vehicles that would utilize and service the SCIP Facility.

Proposers should provide a description of how the goods and/or services proposed to be provided will be priced and made available to the market why this commercial structure is expected to be attractive to the market, and what commitments the facility developer is willing to make to ensure that the costs remain attractive and beneficial to the offshore wind industry. Funding Recipients that offer goods or services that are less subject to natural competitive pressure (for example, port facilities that may offer a unique service due to their location) may be required to make contractual commitments to NYSERDA with respect to maintenance of open access and reasonable pricing on an ongoing basis and should include in the Supply Chain Investment Plan any such proposed commitments.

C.2.C.4 Proposed SCIP Facility Investment

Proposers should identify the scope of planned physical site upgrades that will enable the SCIP Facility to be used for the Proposed SCIP Facility Activity (Proposed SCIP Facility Investment), including proposed changes to the list of site conditions listed in Section C.2.C.2. If the SCIP Facility is a port, specific reference should be made to any dredging needs.

This description should include justification for all upgrades required to enable the Proposed SCIP Facility Activity, including those related to both Eligible Expenses and Non-Eligible Expenses as entered in the SCIPDF. The Proposer should also describe the maturity of its project design and the uncertainty of the value of Eligible and Non-Eligible Expenses. Proposers should identify if existing facilities at the SCIP Facility will require reinvestment, conversion, and rehabilitation to support the Proposed SCIP Facility Activity.

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

Proposers should include a permitting plan for implementation of the Proposed SCIP Facility Investment at the SCIP Facility, including a summary of the current permitting status, as well as a summary of critical environmental issues or concerns and a description of how they will be addressed. Proposers are strongly encouraged to meet with the New York State Department of Environmental Conservation (DEC) and the New York Department of State (DOS) regarding their Supply Chain Investment Plan(s) prior to Proposal submission. Proposers may contact Karen Gaidasz at DEC and Matthew Maraglio at DOS for assistance in arranging such a meeting.

Karen Gaidasz
Offshore Wind Section Chief, NYSDEC – Division of Environmental Permits
(518) 402-9153
karen.gaidasz@dec.ny.gov

Matthew Maraglio
Director, Development Division
(518) 474-6000
matthew.maraglio@dos.ny.gov

Proposers should provide a detailed Environmental Mitigation Plan that describes how Proposer will mitigate adverse environmental impacts that may be caused by each SCIP Facility. A narrative description of the Environmental Mitigation Plan should be included in the Supply Chain Investment Plan. The Environmental Mitigation Plan itself should be appended to the Supply Chain Investment Plan. 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. To the extent that certain requirements stated in Appendix E are not applicable to a SCIP Facility, they do not need to be met, but they should be listed as not applicable for completeness. 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. The Standardized Component of the Environmental Mitigation Plan relevant to the applicable SCIP Facility will be appended to the SCIP Facility Funding Agreement and therefore should be presented separately for each SCIP Facility.

Proposers should describe the proposed methodology that will be employed to track, record, and monitor energy-related impacts, greenhouse gas emissions reductions delivered, customers served, climate adaptation and resiliency and clean energy measures supported by the SCIP Facility, which may be memorialized in the SCIP Facility Funding Agreement.

C.2.C.5 Green Infrastructure and Responsible Development

New York State is poised to invest in green infrastructure that can support low carbon intensity offshore wind staging & marshalling, manufacturing, construction and operations and maintenance and other offshore wind related uses that create real, persistent and sustainable institutional or labor capabilities in New York State and that have the potential to reduce the cost of future offshore wind projects.

Proposers must demonstrate for each SCIP Facility where applicable:

1. LEED certification for the SCIP Facility;
2. Green, sustainable and energy efficient process and support equipment;
3. Process heating provided by low-carbon fuels, heat pumps, electric arc furnace, or electric resistance (exclude burning of fossil fuels);
4. Materials and composites that can be safely off-gassed with minimal carbon emissions; and
5. Waste heat capture and regenerative technology.

Proposers should describe their organization's commitment to sustainability and how it is engrained in the business or management processes. Organizational goals should be identified and methods or tracking practices should be outlined.

Proposers should indicate and identify specific and direct ways that the Proposed SCIP Facility Investment will mitigate or reduce climate change impacts in the development and operation of the SCIP Facility. Proposers should take into account the broad decarbonization goals of the Climate Act and should consider green building and process designs that mitigate or eliminate emissions. Green building and site design, adaptive re-use, recycling, use of renewable energy, equipment electrification, implementation of lean manufacturing and continuous improvement in operations, green transportation technologies and other mainstream and innovative activities and use of technologies that increase the operating and energy efficiencies of the SCIP Facility, reduce emissions or discharge, and contribute to more robust and resilient infrastructure should be incorporated. Proposers should describe measures that will be deployed and implemented and how the performance of those measures will be tracked.

Proposers should describe efforts taken to use creative solutions to minimize the embodied carbon in development of and carbon emissions from the SCIP Facility and how the SCIP Facility will reduce the carbon footprint of projects using the SCIP Facility. Proposers may consider applying to NYSERDA's New Construction – Commercial Program (PON 3609) for the design, development, and construction of carbon neutral buildings.

Proposers should identify design considerations that promote climate adaptation and resiliency of the SCIP Facility in responding to such threats as sea level rise and dynamic flooding events, potential

impacts from increased frequency and severity of storms (e.g., superstorms, heavy precipitation events, seismic activity, etc.).

C.2.C.6 Community and Stakeholder Engagement and Support

Proposers should describe the community and stakeholder engagement and support for the SCIP Facility. Depending on the scope of the Proposed SCIP Facility Activity and Proposed SCIP Facility Investment, relevant stakeholders could include the maritime community, environmental advocates, local elected officials, environmental justice advocates, members of Disadvantaged Communities, economic development organizations, local businesses, and the local public, among others.

Proposers should provide a detailed Stakeholder Engagement Plan for each SCIP Facility that describes stakeholder engagement activities and commitments during the planning, construction, operation, and decommissioning phases of the SCIP Facility. Proposers should also include specifics on how representatives of local Disadvantaged Communities will be engaged. The Stakeholder Engagement Plan must include considerations for engagement with representatives of local environmental justice or otherwise Disadvantaged Communities.

A narrative description of the Stakeholder Engagement Plan should be included in the Supply Chain Investment Plan. The Stakeholder Engagement Plan itself should be appended to the Supply Chain Investment Plan. 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. To the extent that certain requirements stated in Appendix F are not applicable to a SCIP Facility, they do not need to be met, but they should be listed as not applicable for completeness. Stakeholder Engagement Plans should discuss the status of implementing the detailed engagement activities and commitments and provide a reporting framework to include in regular updates to NYSERDA and should include information on specific localized support and/or opposition to the SCIP Facility of which Proposer is aware. Detailed supporting information, including copies of any agreements with communities and other constituencies impacted by the SCIP Facility, not already covered in the Environmental Mitigation Plan, and documentation identifying the level of public support for the SCIP Facility including letters from public officials, community and local interest groups, newspaper articles, *etc.* should also be attached to the Stakeholder Engagement Plan.

The public version of each Stakeholder Engagement Plan will be made publicly available upon Proposal submission 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. The Standardized Component of the Stakeholder Engagement Plan will be appended to the SCIP Facility Funding Agreement and therefore should be presented separately for each SCIP Facility.

C.2.C.7 Financing Plan and Funding Sources

Proposers should describe the overall financing plan to support the Proposed SCIP Facility Investment, including proposed New York State Funding and non-New York State Funding investment sources. If appropriate, Proposers should include a transaction diagram. The financing plan should match the figures provided in the SCIPDF, as described in ORECRFP22-1 Section 6.3.3. As part of the financing plan,

Proposer must explain why New York State Funding is required for viability of the Proposed SCIP Facility Investment.

Proposers should submit a detailed description of each source of funding available to fund each SCIP Facility included in the Supply Chain Investment Plan (including any equity investment, debt financing, grant funding or other capital), and the Proposer must certify that the list of available funds is accurate to the best of the Proposer's knowledge. The Supply Chain Investment Plan must also include a budget setting forth the proposed uses of funding.

Proposers should also include:

- A detailed sources and uses chart;
- Detailed description of any request for competitive NY Green Bank financing;
- Complete copies of the most recent audited financial statements and annual report for the Funding Recipient for each of the past three years (if audited statements are not available, reviewed or compiled statements are to be provided), that allow for verification of the proposed sources and uses;
- Provide the credit ratings from Standard and Poor's and Moody's (the senior unsecured long-term debt rating or, if not available, the corporate rating) of Funding Recipient;
- If a Funding Recipient is not rated and/or is a newly-formed special purpose entity, identification of the entity that will provide credit support, along with financial statements and/or ratings in relation to that entity; and
- A detailed and accurate corporate entity organizational chart illustrating the proposed sources and uses and legal structure.

Proposers should also provide a description of any uncontracted revenue streams, including analytic support for the forecasted pricing of such revenue, and the basis for any conditionality around a minimum offtake level of utilization across the array of Proposals selected for award by NYSERDA.

In addition, the funding plan should include a clear and detailed narrative of the role of federal financial support (such as tax credits, federal incentives or other financial assistance) in connection with each SCIP Facility, including specific quantifications. Provide an explanation for the assumed ability or inability to qualify for federal financial support. The definition of "SCIP Facility Qualifying Federal Support" in the SCIP Facility Funding Agreement will be tailored to ensure that federal financial support not reasonably expected to be obtained at the time of Proposal submission will be treated as SCIP Facility Qualifying Federal Support and, if obtained, applied to a partial reduction in the amount of New York State funding of the SCIP Facility as further described in the SCIP Facility Funding Agreement.

C.2.C.8 Supplier Engagement

To build a resilient, strong, and domestic supply chain for offshore wind, Proposers submitting SCIP Facilities involving Primary Component manufacturing should clearly outline a supply chain localization plan that will enhance the SCIP Facility's long-term viability through cost reduction and economic benefits that align and support industry growth in New York and the United States. Utilization of existing local supply chain partners that enables expansion, renovation or refurbishment of existing facilities is

also eligible for New York State Funding. The plan should include a narrative, potential cost reduction schedule as a result of localization of supply chain and proposed timeline with major milestones to develop a supply chain around the Proposed SCIP Facility Investment.

Proposers should identify opportunities for localization of new supply chain partner(s) in New York or opportunities for existing New York supply chain partners to align and partner with the Proposer’s existing global partner to provide Sub-components. The associated Sub-components should be outlined in the template shown in Table C.2.1.

Table C.2.1: Template for Sub-Component Localization Entries (Commodity Catalogue)

Sub-component	Purpose	Number of Jobs	Timeline to Localize	Where does Capacity exist?²

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

Proposers should participate in Supply Chain events hosted by NYSERDA or partners. The events will focus on the growth of a domestic supply chain and enable Primary Component as well as Sub-component manufacturers to engage potential local suppliers that builds their capacity to enter the supply chain.

Proposers for all Proposed SCIP Facility Activities should outline the status, parties and key elements of any contract, letter of intent or similar arrangement relating to the SCIP Facility. This may include engineering, procurement and construction contracts; operation and maintenance contracts; and revenue contracts with end-users of the SCIP Facility. Specific detail should be offered regarding the contractual relationship between the suppliers, Funding Recipient and Proposer. Proposers should also include a description of the counterparties, status of contractual negotiations, and the steps and time

² Options should be categorized as (1) New York entity, (2) non- New York entity or (3) hybrid partnership between New York and non-New York entities,

necessary to complete such negotiations. Counterparties that have not yet been identified should be included generically in this status summary.

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

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

C.2.C.9 Insurance

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

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

C.2.C.10 Economic Benefits

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

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

- Category 2: Incremental Economic Benefits associated with development and construction of a SCIP Facility, including feasibility studies, design, engineering and facility equipment procurement and expenditures related to negotiating and complying with a Project Labor Agreement.
- Category 4: Incremental Economic Benefits associated with operation and maintenance of a SCIP Facility, including the cost of producing goods or services for purchase by any offshore wind project, the purchase of raw materials used to produce finished goods for sale. Domestic, non-

New York iron and steel does not qualify as a Category 4 economic benefit, although finished goods that use domestic non-New York iron and steel qualify as Category 1 SCIP Related Purchases.

- Category 5: Other economic benefits that are reasonably expected to accrue in connection with New York State Funding of the Supply Chain Investment Plan but are not included in Category 2 or Category 4 and therefore are not included as SCIP Facility Funding Agreement commitments.

The Supply Chain Investment Plan should include both a qualitative description and quantitative summary of the Economics Benefits associated with each Proposed SCIP Facility Investment. These Economic Benefits should match those provided in the SCIPDF, with alignment provided per the template in Table C.2.2 below. Category 2 entries should be aligned with Table V-2 of the Offer Data Form and match the Category 2 content included in the associated Proposals’ Economic Benefits Plans.

Table C.2.2: Template for Economic Benefits Claims Entry

EB[2/4/5] ID	Detailed Description

Proposers should provide details of Proposer’s experience engaging or utilizing MWBEs and SDVOBs in developing generating projects of similar type, size and complexity or other large public works projects.

Proposers should describe each SCIP Facility’s ability and plans to provide economic opportunities for Disadvantaged Communities, MWBEs and SDVOBs. Economic Benefits claims benefiting these groups will be identified in the SCIPDF as well. Any New York Jobs and Workforce Claims should be accompanied by content consistent with the requirements outlined in Appendix H, with descriptive information for claims in Categories 2, 4 and 5 consistent with what is included in the New York Jobs and Workforce Plan.³ Accompanying data must be entered on the corresponding worksheet in the SCIPDF and be consistent with the Category 2 entries in the Offer Data Form of any Proposal that includes the Supply Chain Investment Plan. The Supply Chain Investment Plan’s New York Jobs and Workforce Plan should be appended to the Supply Chain Investment Plan, and can either be appended to the Proposal’s New York Jobs and Workforce Plan or incorporated by reference. Proposers should specifically identify each SCIP Facility’s ability and plans to provide clean energy transition job opportunities for New York residents who may lose employment in the current transition to a green economy, such as the provision of worker retraining in connection with conversion of existing infrastructure or manufacturing facilities to become part of the offshore wind supply chain.

The Supply Chain Investment Plan must also enumerate, for each SCIP Facility, expected economic benefits, which will encompass (i) Category 2 expenditures during development and construction of the SCIP Facility that must be met to comply with the SCIP Facility Funding Agreement and (ii) Category 4

³ The purpose of repeating information presented in the New York Jobs and Workforce Plan is to make the Supply Chain Investment Plan more easily consumable as a standalone document for the SCIP Scoring Committee.

annual expenditures and long-term jobs during the first five years of SCIP Facility operation that must be met to unlock the 5% of New York State Funding to be disbursed following each of the first five years of the SCIP Facility’s operation. The consequences of not meeting the committed development and construction expenditures are set forth in the SCIP Facility Funding Agreement. The Supply Chain Investment Plan must provide expected economic benefits metrics for each of the categories set forth in Table C.2.3 below that are supported by the values submitted in the SCIP Data Form.

Table C.2.3: Template for Expected Economic Benefits Metrics Entry

Economic Benefit	Expected Value
Category 2 Economic Benefits – total expenditures	
Category 2 Economic Benefits to MWBEs and SDVOBs – total expenditures	
Category 4 Economic Benefits – annual expenditures	
Category 4 Economic Benefits to MWBEs and SDVOBs – annual expenditures	
Category 4 Economic Benefits – long-term unique jobs created or retained or annual average FTE equivalents created or retained	
Category 4 Economic Benefits to Disadvantaged Communities – long-term unique jobs created or retained or annual average FTE equivalents created or retained	

C.2.D SEQRA

The Funding Recipient will be required to take commercially reasonable measures to facilitate, cooperate with, and otherwise provide information for any environmental review of each SCIP Facility overseen by an authorized governmental entity or entities pursuant to the New York State Environmental Quality Review Act (“SEQRA”). NYSERDA will provide a prompt notice of the issuance of a final findings statement under SEQRA to the Funding Recipient. Any award of New York State Funding for any SCIP Facility will not be determined or committed before NYSERDA, in its sole discretion, makes findings pursuant to SEQRA with regard to the SCIP Facility. If such findings do not allow for the SCIP Facility to proceed as contemplated, the Proposer and the Funding Recipient will be expected to enter into good faith negotiations with NYSERDA to modify or replace the SCIP Facility.