

Appendix C.2

Port Infrastructure Investment Plan

On July 18, 2019, Governor Andrew M. Cuomo signed the Climate Leadership and Community Protection Act (CLCPA), putting into law the most aggressive climate agenda in the United States. The CLCPA 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 Cuomo has also called for New York State to invest up to \$200 million in New York port infrastructure to leverage and strengthen private investment and maximize the long-term economic benefits to the State. This commitment 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.

Port infrastructure development is a prerequisite to the advancement of the local offshore wind supply chain, serving as the link between land-based manufacturing and pre-assembly activities and the offshore projects. It is therefore vital to ensure that New York State's port infrastructure assets are prepared to support this emerging industry. This RFP will evaluate Port Infrastructure Investment Plans with a specific focus on supporting Projects that are positioned to be fully operational as early as possible, recognizing the immediate regional demand for additional port resources.

Where the Required and Alternate Proposals described in ORECRFP20-1 Section 2.1.3 must all include at least one corresponding Port Infrastructure Investment Plan, eligibility for the RFP per the terms of this Appendix C.2 apply in full.

Where the Required Standalone Proposal represents the only eligible Proposal pursuant to this RFP that must be submitted without a Port Infrastructure Investment Plan, this Appendix C.2 is not applicable.

C.2.A Funding Types and Terms

New York State is offering funding in the following two discrete Funding Categories, together comprising its \$200 million total commitment:

1. Reimbursement-Based Grant Funding – up to \$100 million of grant financing for Eligible Expenses on a reimbursement basis, available for draws as critical Port Infrastructure Investment Plan milestones are met; and
2. New York State Assisted Financing – up to \$100 million of senior-secured debt financing for Eligible Expenses, available for draws as critical Port Infrastructure Investment Plan milestones are met. Pricing for this Funding Category may be at a discount to market-based pricing based on New York State's evaluation of the creditworthiness of each Port Infrastructure Investment Plan, as discussed further in Section C.2.E.

Reimbursement-Based Grant Funding.

Proposers may apply for up to \$100 million of Reimbursement-Based Grant Funding towards Eligible Expenses. Reimbursement-Based Grant Funding would be provided by New York State at critical milestones in a Port Infrastructure Investment Plan's development and/or construction phase. For purposes of this RFP, Proposers should assume reimbursements occur at the critical milestone of Final Completion of the Proposed Site Investment. Proposed terms associated with this Funding Category should be articulated by Proposers in the Port Infrastructure Investment Plan Data Form, as described in ORECRFP20-1 Section 6.3.3. Specific terms and funding mechanics associated with this Funding Category will be subject to direct negotiations between the Proposer and New York State, as discussed in ORECRFP20-1 Section 7.2.

If requesting funding under this Funding Category, Proposers are encouraged to minimize their request for Reimbursement-Based Grant Funding, while not compromising the financial viability of the Port Infrastructure Investment Plan, to maximize their competitive position in this RFP.

New York State Assisted Financing.

Proposers may apply for up to \$100 million of New York State Assisted Financing towards Eligible Expenses. New York State Assisted Financing would be provided as senior-secured debt financing to support the Proposed Site Investment. Proposed terms associated with this Funding Category should be articulated by Proposers in the Port Infrastructure Investment Plan Data Form, as described in ORECRFP20-1 Section 6.3.3. Specific terms and funding mechanics associated with this Funding Category will be subject to direct negotiations between the Proposer and New York State, as discussed in ORECRFP20-1 Section 7.2.

If requesting funding under this Funding Category, Proposers are encouraged to clearly demonstrate the creditworthiness of the Port Infrastructure Investment Plan, as described in Section C.2.E.

C.2.B Eligible Ports

Ports eligible for inclusion in the Port Infrastructure Investment Plan (Eligible Ports) will include only those ports that have been successfully pre-qualified under New York State's Request for Qualifications (RFQL) 4259.

A Port Infrastructure Investment Plan can be submitted for any Eligible Port as part of the Required and Alternate Proposals per ORECRFP20-1 Section 2.1.3. For clarity, in its submission to this RFP, a Proposer can submit multiple Proposals that involve Port Infrastructure Investment Plans for different Eligible Ports. Likewise, an Eligible Port is eligible to support multiple Proposers under this current RFP. A Proposer can also submit multiple Port Infrastructure Investment Plans for the same Eligible Port, to account for different uses, different funding approaches, or any other variation in the planned development approach.

C.2.C Port Infrastructure Investment Plan

The Port Infrastructure Investment Plan should describe a Proposer's plans to leverage New York State port infrastructure funding through either of the above Funding Categories, or some combination thereof. New York State is poised to invest in port facilities that can support offshore wind staging, manufacturing, and/or other miscellaneous 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.

The Port Infrastructure Investment Plan supports the Proposal's Economic Benefit Plan and associated Economic Benefit Claims as described in Appendix C.1, specifically those Economic Benefit Claims associated with Category 2, which are associated with New York State port infrastructure funding. For the avoidance of doubt, New York State funds cannot be counted as part of a Proposal's Economic Benefits Plan or Claims; however, the economic outcomes that are attributable thereto may be counted.

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

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

Each Port Infrastructure Investment Plan must be accompanied by a Port Infrastructure Investment Plan Data Form.

If selected for conditional award, Proposers will be expected to work with NYSERDA to incorporate material commitments from the Port Infrastructure Investment Plan into the Agreement. See Standard Form Agreement at Section 12.11 and Exhibit L.

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

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

Proposers should also identify the current ownership, operational structure, and uses of the Site. Applicable deeds and/or lease agreements for the Site should be included as optional attachments to the Port Infrastructure Investment Plan. This information should include the terms of any relevant current leases within the Site.

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

Proposers should include a summary of the existing Site infrastructure. To the extent possible, this information should include:

- Acreage;
- Water depth and seabed conditions of the quayside, adjacent channels, and relevant vessel routes;
- 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;
- On-Site power and other utilities, including water and sewer;
- Access to road and rail transportation for relevant transportation routes;
- Infrastructure and buildings;
- Nautical distance from all existing and proposed federal offshore wind energy areas (WEAs) that could be serviced by the Site;
- Key current and historical environmental conditions; and
- Protection from surges, storms, and hurricanes.

C.2.C.2. Proposer Experience

Proposers should demonstrate their experience and management capabilities to successfully implement the Port Infrastructure Investment Plan, including development, construction, and operation.

Supporting materials may include organizational charts, details of specific Port Team experience, and the resumes of key Port Team personnel.

C.2.C.3. Proposed Site Activity

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

- Role(s) in the offshore wind supply chain;
- Expected end-users of the Site, including the proposed operational structure (long-term vs. short-term leases, single user vs. multiple users, *etc.*);
- The Site's ability to compete with other regional and global port facilities; and
- The types of vessels that would utilize the Site.

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

C.2.C.4. Proposed Site Investment

Proposers should first clearly identify the Port Infrastructure Investment Plan's Funding Recipient. The Funding Recipient will be responsible for execution of the Proposed Site Investment and will be the entity New York State evaluates for risk-adjusted financial returns and creditworthiness, as described in Section C.2.E.

Proposers should identify the scope of planned physical Site upgrades (Proposed Site Investment), including proposed changes to the list of site conditions listed in Section C.2.C.1. Specific reference should be made to any required ongoing dredging needs. This description should include justification for all upgrades required to enable the Proposed Site Activity, including those related to both Eligible Expenses and Non-Eligible Expenses as identified in the Port Infrastructure Investment Plan Data Form. The Proposer should also describe the maturity of its project design and the uncertainty of the value of Eligible and Non-Eligible Expenses.

This section of the Port Infrastructure Investment Plan should also describe the Proposer's overall financing plan to support the Proposed Site Investment, including its request for New York State Funding, any other government financial support, and any private capital. If appropriate, this section should include a transaction diagram. The financing plan should match the figures provided in the Port Infrastructure Investment Plan Data Form, as described in ORECRFP20-1 Section 6.3.3.

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

C.2.C.5. Port Infrastructure Investment Plan Contracts

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

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

C.2.C.6. Insurance

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

C.2.C.7. Economic Benefits

Proposers should provide an estimate of the Incremental Economic Benefits that would result from successful execution of the Proposed Site Investment and Proposed Site Activity. Economic Benefits

should include only those direct benefits that would accrue to New York State under the completion of the Proposed Site Investment, and that would not have accrued but for the completion of the Proposed Site Investment. For the avoidance of doubt, eligible claims may further include expenditures made in 2020, prior to the issuance of this RFP, but where the definition of Incremental Economic Benefits is respected. Economic Benefits should be presented in two categories:

1. Category 1P: Project-specific Economic Benefits associated with New York State Funding of the Port Infrastructure Investment Plan. Stated in terms of net expenditures (stated in nominal dollars), and/or the number of short-term and long-term direct job creation (stated in both unique jobs and FTE-years) in New York State. Matching private capital investments are eligible for inclusion in this category.
2. Category 2P: Non-Project-specific Economic Benefits associated with New York State Funding of the Port Infrastructure Investment Plan. Stated in terms of net expenditures (stated in nominal dollars), and/or the number of short-term and long-term direct job creation (stated in both unique jobs and FTE-years) in New York State. Matching private capital investments are eligible for inclusion in this category.

The Port Infrastructure Investment Plan should include both a qualitative description and quantitative summary of the Economics Benefits associated with the Proposed Site Investment. These Economic Benefits should match those provided in the Port Infrastructure Investment Plan Data Form, with alignment provided per the template in Table C.2.1 below. Category 1P entries should be aligned with Table V-2 of the Offer Data Form.

Table C.2.1

EB[1P/2P] ID	Detailed Description

C.2.C.8. Community and Stakeholder Engagement and Support

Proposers should demonstrate the community and stakeholder engagement and support of the Port Infrastructure Investment Plan. Depending on the scope of the Proposed Site Activity and Proposed Site Investment, relevant stakeholders could include the maritime community, environmental advocates, local elected officials, environmental justice advocates, local businesses, and the local public, among others.

C.2.C.9. Alignment with the CLCPA & Ongoing Tracking and Reporting Capability

Proposers should describe how the Port Infrastructure Investment Plan aligns with key objectives of the CLCPA, including:

1. The Port Infrastructure Investment Plan's ability to reduce the costs to New York State ratepayers associated with the procurement of electricity from offshore wind generation projects.
2. The Port Infrastructure Investment Plan's ability and plans to provide clean energy transition job opportunities for New York residents who may lose employment in the current transition to a green economy;
3. The Port Infrastructure Investment Plan's ability and plans to provide economic opportunities for New York State Disadvantaged Communities; and
4. Efforts taken by the Port Infrastructure Investment Plan to use creative solutions to minimize carbon emissions from the Project.

The Port Infrastructure Investment Plan should also address the following areas:

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

C.2.D Eligible Port Expenditures

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

1. Demolition of existing structures or the clearing of Site debris or vegetation;
2. Removal of existing concrete, asphalt, or other surfaces;
3. Removal, handling, treatment, and disposal of dredged material;
4. Construction and/or rehabilitation of sub-surface structures and/or subgrade modifications to increase bearing capacity;
5. Construction and/or rehabilitation of shoreline protection structures (e.g., revetment);
6. Construction and/or rehabilitation of wharf structures intended for the loading of components on and off transport vessels;
7. Grading of surfaces, including excavation, fill, hauling, and placement; or
8. Finishing of surfaces, including the purchase and installation of surface material.

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, building and/or equipment costs, legal costs, and operational costs.

C.2.E Port Infrastructure Investment Plan Evaluation

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

Port Infrastructure Investment Plans will be evaluated by NYSERDA. To be deemed “investment worthy,” a Port Infrastructure Investment Plan must, at a minimum, meet the below criteria (Port Infrastructure Minimum Thresholds):

1. Requests for Grant Funding must be matched \$1.25-for-\$1.00 with private capital investments in the same port facility;
2. Requests for New York State Assisted Financing must be matched \$0.75-for-\$1.00 with private capital investments; and
3. The Port Infrastructure Scoring Committee must determine that the risk-adjusted return for any requested New York State Assisted Financing is positive (internal rate of return is greater than zero).

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

C.2.E.1. Cost Benefit Analysis

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

1. The Proposer’s requested amount of Reimbursement-Based Grant Funding, as identified in the Offer Data Form; and
2. The Proposer’s requested amount of New York State Assisted Financing, as identified in the Offer Data Form.

The financial and economic benefits for New York State include:

1. The risk-adjusted financial return expected for New York State's New York State Assisted Financing commitment, if any;
2. The risk-adjusted job creation and macroeconomic impacts that the Port Infrastructure Investment Plan is expected to have on New York State's economy, consistent with the definitions of such benefits as noted in Section C.2.C.7; and
3. Level of financial commitment of the Proposer and any other involved third parties, not including any other financial incentives offered by New York State.

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

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

Through this Cost Benefit Analysis, Port Infrastructure Investment Plans that request funding through New York State Assisted Financing will generally be evaluated more favorably than requests for funding for Reimbursement-Based Grant Funding. However, Proposers should request Reimbursement-Based Grant Funding to the extent such financial assistance is critical to the financial viability of the Port Infrastructure Investment Plan.

C.2.E.2. Port Infrastructure Investment Plan Viability

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

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

1. Proposed Port Infrastructure Investment Plan development and construction schedule and risk, with a preference for those plans that can demonstrate the ability to serve the offshore wind industry in the early 2020s;

2. Financing plan, current financing status, and demonstration of creditworthiness to support financing plan;
3. Revenue contracts and any uncontracted revenue streams;
4. Demonstration of Site control;
5. Permitting plan and current permitting status for federal, state, and local requirements;
6. Identification of environmental issues/concerns and a description of how they are being addressed;
7. Relevant experience of the Proposer;
8. Technology risk associated with the Proposed Site Activity and Proposed Site Investment; and
9. Community and stakeholder outreach and support.

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

Environmental Analyst 2, Division of Environmental Permits

(518) 402-9153

karen.gaidasz@dec.ny.gov

Matthew Maraglio

Supervisor, Consistency Review Unit

(518) 474-6000

matthew.maraglio@dos.ny.gov

C.2.E.3. Market Compatibility

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

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

C.2.E.4. Alignment with CLCPA Objectives

This Port Infrastructure Plan Evaluation Criterion considers aspects of the Plan that support the core objective of New York State's CLCPA. The CLCPA is one of the most aggressive pieces of climate legislation in the United States, combatting the adverse impacts of climate change on economic well-being, public health, natural resources, and the environment of New York. Port Infrastructure Investment Plans will be evaluated with a focus on the following key areas:

1. The Port Infrastructure Investment Plan's ability to reduce the costs to New York State ratepayers associated with the procurement of electricity from offshore wind generation projects.
2. The Port Infrastructure Investment Plan's ability and plans to provide clean energy transition job opportunities for New York residents who may lose employment in the current transition to a green economy;
3. The Port Infrastructure Investment Plan's ability and plans to provide economic opportunities or other benefits to Disadvantaged Communities, such as those included by low-income census tracts, Potential Environmental Justice Areas, and New York Opportunity Zones (refer to ORECRFP20-1 Section 3.2.8); and
4. Efforts taken by the Port Infrastructure Investment Plan to use creative solutions to minimize carbon emissions from the Port Infrastructure Investment Plan.

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