

Clean Energy Resource Development and Incentives:

The Build-Ready Program Annual Progress Report 2023



Final Report | April 2024



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Clean Energy Resource Development and Incentives: The Build-Ready Program Annual Progress Report 2023

Final Report
Case 15-E-0302

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April 2024

Abstract

The Build-Ready Program Annual Progress Report is intended to inform the Public Service Commission, (PSC), State agencies, market participants, and other interested parties on the progress of the Build-Ready Program. More specifically, this report provides information on progress made in achieving the Build-Ready Program's stated goals and objectives as described in the Accelerated Renewable Energy Growth and Community Benefit Act, the PSC Order approving the Build-Ready Program, and the NYSEERDA Build-Ready Implementation Plan. This report also provides an update on the Build-Ready Program's commitments and cumulative expenditure of funding as of December 31, 2023.

Keywords

Assessment, Accelerated Renewable Energy Growth and Community Benefit Act, aggregation, auction, battery energy storage system (BESS), Build-Ready Program, Build-Ready Project, Clean Energy Standard (CES), Climate Leadership and Community Protection Act (Climate Act), distributed generation (DG), distributed energy resources (DER), Host Community Agreement, host community benefits, origination, payment-in-lieu-of-taxes (PILOT), pipeline, portfolio, project development, renewable energy, renewable energy project, screening, site, solar photovoltaic (PV), solar PV parking canopy, underutilized

Table of Contents

- Abstract ii**
- Keywords ii**
- List of Tables iii**
- Summary S-1**
- 1 Background 1**
- 2 Build-Ready Site Origination and Pipeline 2**
 - 2.1 Snapshot of Build-Ready Pipeline 2
 - 2.2 Advancement of Build-Ready’s Pipeline 5
 - 2.2.1 Site Screening 6
 - 2.2.2 Data Normalization 7
 - 2.3 Conferences and Events 7
- 3 Portfolio of Projects under Development 8**
 - 3.1 BR Benson Mines Solar PV Project 9
 - 3.2 Tompkins County-Caswell Road Landfill 10
 - 3.3 Other Build-Ready Projects Under Development 12
 - 3.3.1 Landfill Solar PV Projects 12
 - 3.3.2 Abandoned Industrial Sites 12
 - 3.3.2.1 Deferiet Paper Mill 12
 - 3.3.2.2 Niagara County and Herkimer County Underutilized Sites 12
 - 3.3.3 Tompkins County Airport-Solar Airport Project 13
- 4 Build-Ready Auction 14**
- 5 Use and Status of Funding 16**
- 6 Program Plans for 2024 18**
- Endnotes EN-1**

List of Tables

- Table 1. 2023 Snapshot of Build-Ready Pipeline 2
- Table 2. Build-Ready Pipeline: Common Site Types 4
- Table 3. Common Challenges to Advancing Build-Ready Sites 5
- Table 4. Build-Ready Sites under Development 8
- Table 5. Summary of Build-Ready Program Funding and Spending from Program Inception through December 31, 2023 (Amount in thousands) 16
- Table 6. Build-Ready Cumulative Financial Status Report (Amount in thousands) 17

Summary

The Build-Ready Program Annual Progress Report is intended to inform the Public Service Commission (PSC), other State agencies, market participants, and interested parties on the status of the Build-Ready Program (the Program). More specifically, this report provides information on progress made in achieving the Build-Ready Program's stated goals and objectives as described in the Accelerated Renewable Energy Growth and Community Benefit Act (the Act), the PSC Order Approving the Build-Ready Program (the Order), and the NYSERDA Build-Ready Program Implementation Plan. This report also provides an update on the Build-Ready Program's commitments and cumulative expenditure of funding as of December 31, 2023.

Over the past year, the Build-Ready Program made significant progress in achieving the Program's goals. Highlights include:

- **Expanded and Advanced the Pipeline.** The Program engaged with landowners representing 60 potential sites resulting in the successful execution of four exclusive memorandums of understanding (MOUs) representing 14 potential sites. The MOUs are with the Town of East Hampton for a portfolio of 11 potential sites totaling up to 15 megawatts (MW) of solar PV and battery energy storage projects, Orange County for an 8.5 MW solar PV project on the Orange County Landfill, Tompkins County for a 15 MW solar PV and battery energy storage project on the Caswell Landfill, and a 10 MW solar PV project at the Ithaca Tompkins International Airport. At year end, the Program had a pipeline of 33 potential sites in different stages of development and anticipates entering into MOUs for up to nine locations in 2024. The Build-Ready Program also completed screening all 62 counties in New York for potential sites including dormant electric generators, parking lots, mines, landfills, and previously contaminated sites. Finally, the Program finished a data normalization and mapping initiative that resulted in an easily accessible and searchable state-wide map and database that includes most sites previously identified for review or evaluation by the Build-Ready Program.
- **Increased the Number of Projects in Development.** The Program's projects in the process of being developed continued to expand and mature with 21 sites now in the development phase. The projects represent a mix of single sites and portfolios of sites across the State located on mines, landfills, parking lots, airports, former industrial sites, and previously contaminated properties. The sites are in varying stages of development with all sites advancing through due diligence activities including site control, environmental assessments, interconnection, engineering, design, permitting, stakeholder engagement, and host community benefit package development.

- **Advanced the Auction Process.** The Program initiated its first auction with the Build-Ready (BR) Benson Mines Solar Photovoltaic (PV) Project. In 2024, the Program will complete the award, sale, and transfer of the BR Benson Mines Solar PV Project to an eligible proposer to complete the remaining development milestones, finance, construct, own and operate the project. The awarded proposer will enter into a Membership Interest Purchase Agreement (MIPA) to acquire the project from the Build-Ready Program and enter into a 20-year agreement to sell Tier 1 Renewable Energy Certificates (RECs) generated by the BR Benson Mines Solar PV Project (REC Agreement) to NYSERDA.
- **Managed Public Funds Responsibly.** The Build-Ready Program expenditures increased in 2023 compared to 2022. This was due to the Program being fully staffed during 2023, more sites moving into and through development, and initiation of the first auction. The Build-Ready Program anticipates spending to increase in 2024 to reflect a fully staffed Program and increased development and procurement costs related to managing the expanding and maturing portfolio. In addition, Build-Ready anticipates reporting its first proceeds through the auction of the Benson Mines project, which will be reinvested into the program.

In 2024, the Build-Ready Program will continue to build upon its accomplishments and lessons learned to date including:

- Advancing a greater number of projects from origination into development. This includes four large-scale solar PV and battery storage projects and three municipal portfolios including a mix of large-scale and distributed generation (DG) projects.
- Moving a mix of DG and large-scale projects further into development by advancing permitting, stakeholder engagement, and interconnection with New York State utilities or the New York Independent System Operator (NYISO). For projects that advance through interconnection with the NYISO, Build-Ready plans to participate in the NYISO's first Cluster Study¹, anticipated to take 18 months.
- Completing the auction and transfer of BR Benson Mines Solar PV Project in Q3, 2024. Prepare and launch a second auction in Q4, 2024 for a portfolio of up to four Build-Ready projects to include large-scale and DG projects.
- Engaging the voluntary Market Advisory Group (MAG) on other projects prior to auction and as it develops and refines its solar PV parking lot canopy, solar plus battery energy storage systems (BESS), and distributed energy resource (DER) aggregation strategies and projects.
- Expand the Build Ready program to identify and explore opportunities for the Program to de-risk and develop difficult, under-utilized sites for standalone bulk energy storage projects to help meet the State's Climate Act goals and benefit host communities.
- Continuing to collaborate with other NYSERDA Programs, sister agencies, and utilities to advance mutual clean energy and climate change goals and to maximize benefits to host communities of Build-Ready projects.

- Continuing to support New York State’s commitment to an inclusive clean energy economy through stakeholder engagement for each project that will deliver community benefits.
- Continuing to responsibly deploy and manage Program funds including reporting its first auction proceeds that result from the transfer of the BR Benson Mines Solar PV Project in 2024.

The Build-Ready Program looks forward to building on the momentum achieved in 2023, and making significant progress fulfilling the goals and objectives of the Act, the Order, and the Build-Ready Implementation Plan in 2024.

More details on the progress of the Build-Ready Program, its accomplishments, and plans for 2024 can be found in the subsequent sections of this annual report.

1 Background

The Accelerated Renewable Energy Growth and Community Benefit Act (the Act) established the Build-Ready Program.² The Act directs NYSERDA to identify, assess, and facilitate the development of suitable sites for renewable power-generating facilities, giving priority to “previously developed sites” and “existing or abandoned commercial sites,” such as brownfields, landfills, or other disused or underutilized sites, and provide benefits to host communities. In October 2020, the PSC issued an order formally approving the Build-Ready Program.³ The Order reiterates that Build-Ready will prioritize (1) advancing renewable energy projects on previously developed and existing or abandoned commercial sites and (2) providing benefits to communities hosting these sites. In January 2021, NYSERDA submitted the Build-Ready Program’s Implementation Plan, formalizing the processes and procedures the Program will follow in site prospecting, project development, and project auction and transfer.⁴ Over the last year, the Build-Ready Program has continued to put the Implementation Plan to work by building a pipeline of potential sites, advancing feasible sites through the project development phases, and initiating the auction of its first project for sale and transfer.

The Build-Ready Order requires NYSERDA to submit an annual report on the Build-Ready Program by April 1, 2021, and annually thereafter, that provides a summary of (1) achievements in the prior year versus planned achievements; (2) plans for the coming year; (3) an accounting of proceeds, less program and administration expenses, earned; (4) a status update on the use and status of the Clean Energy Fund (CEF) cash balances; (5) a status update on the portfolio of projects under development; (6) a list of the sites auctioned for development and the identity of the winning bidders; (7) the amount of renewable energy production from the auctioned sites; and (8) the amount and type of host-community benefits provided. This fourth Annual Progress Report fulfills NYSERDA’s reporting requirement.

The Annual Progress Report is centered on progress and achievement in implementing the Build-Ready Program from January 1, 2023, to December 31, 2023. The report sections cover the following topics:

- Section 1 provides background on the Build-Ready Program.
- Section 2 reviews the Build-Ready Program site origination and pipeline status.
- Section 3 discusses projects under development.
- Section 4 provides an update on the first Build-Ready Program auction.
- Section 5 presents the current use and status of funding.
- Section 6 outlines the Build-Ready Program’s plans for 2024.

2 Build-Ready Site Origination and Pipeline

The following section provides a snapshot of Build-Ready’s pipeline and discusses the program’s efforts to originate and advance sites into development including implementation of the origination strategies discussed in the 2022 Annual Progress Report. This includes: (1) targeting areas with lower interconnection risk,⁵ (2) identifying and advancing sites through key channel partners, (3) developing solar PV parking lot canopy projects paired with battery energy storage systems and electric vehicle (EV) chargers, (4) aggregating distributed solar PV projects into one large-scale solar PV project, and (5) clustering projects around anticipated Build-Ready interconnection investments.⁶

2.1 Snapshot of Build-Ready Pipeline

In 2023, Build-Ready continued to refine the site origination process and bring viable sites into development. Table 1 summarizes the Program’s pipeline and includes the cumulative number of sites screened through the origination process. In the discussion below, “sites” refers to a single parcel of land or a group of parcels that host a single Build-Ready project. The total number of sites screened in Table 1 excludes the closed sites. Box 1 provides a summary of the Build-Ready Program’s site screening approach.

Table 1. 2023 Snapshot of Build-Ready Pipeline

Status	Sites Screened & Assessed
Screened	17,605
Active and On-Hold ⁷	68
Closed	152

Box 1. Build-Ready Program’s Site Screening and Origination Approach

Build-Ready site identification relies on a mix of sources, including property classification codes and State and federal databases of contaminated sites, remediated sites, reclaimed mines, brownfield opportunity areas, and other challenging site types. Other sources include site nominations via the Build-Ready Site Nomination Request for Information, sites provided by local government, State, and federal agency partners, and sites identified by Build-Ready’s prospecting consultants.

In 2023, the Build-Ready Program revised its three-tiered site identification, screening, and assessment approach and combined Tier I and II into a single step called “Screening.” The program also changed the name of the Tier III assessment phase to “Active.” The updates to the screening approach are summarized here.

Under the previously used three-tiered approach, sites first underwent Tier I screening, which considered: distance to interconnection or known electric grid congestion areas; alignment with priority Build-Ready site types; site limiting factors such as protected lands, agricultural designations and uses, and residential development; and land cover and topographical limiting factors such as wetlands, waterbodies, protected areas, mature forested areas, steep slopes, existing buildings, roads, and railways. Sites that progressed from Tier I screening entered Tier II assessment where they were reviewed to refine buildable area, interconnection feasibility, and initiate landowner outreach, among other tasks. Under the Build-Ready Program’s revised approach, both Tier I screening and Tier II assessment are now conducted under a single phase, categorized simply as “Screening.”

Sites with favorable landowner responses and interconnection viability previously entered Tier III assessment. These sites are now categorized as “Active” and enter the Active site assessment phase. The assessment process for “Screening” sites and “Active” sites remains the same as that applied to Tier I, II, and III sites.

For Active sites with high viability including landowner interest, NYSERDA enters an MOU with the landowner, demonstrating landowner commitment to the project success and granting NYSERDA exclusivity for renewable energy site assessment and development. Section 3 discusses Build-Ready sites that are under an MOU and have entered development.

Table 2 provides further detail on sites that made it through Build-Ready’s initial screening and received additional review. For example, the Program screened 41 dormant electric generator sites and 16 advanced to further review. The major site types include commercial or industrial sites; previously contaminated sites such as Superfund sites, Resource Conservation and Recovery Act (RCRA) sites, landfills, or brownfields; mines, including closed and reclaimed mines; federal, State, and municipally owned sites; dormant or existing electric generating sites; parking lots; and other types of underutilized sites. It’s important to note that many sites categorized as federal, State, or municipally owned may also have another underlying site characteristic such as previous contamination. However, if the dominant characteristic is federal, State, or municipally owned, then it is labeled as such.

Table 2. Build-Ready Pipeline: Common Site Types

Site Type	Number of Sites
Previously Contaminated	152
Commercial/Industrial	145
Mine	58
Underutilized	51
Federal, State or Municipally Owned	31
Dormant Electric Generators	16
Parking Lots	55

Table 3 provides a snapshot of why sites did not progress through Build-Ready’s pipeline including:

- **Insufficient Buildable Area:** A Build-Ready site typically requires a minimum of 35 buildable acres for an anchor parcel⁹ for a large-scale solar PV project. Wetlands, agricultural designations and uses, or significant forest cover, among other constraints, can limit buildable area and make a site infeasible.
- **Lack of Landowner Interest:** Landowner was not interested in pursuing renewable energy.
- **Private Renewable Energy Developer Interest:** Build-Ready has a policy to not compete with the private sector. If a site is under development by a private renewable energy developer, the site is ruled out.
- **Non-Viable Interconnection:** A non-viable interconnection method due to distance, hosting capacity, congestion, deliverability, etc.
- **Environmental Constraints:** An insurmountable environmental constraint such as significant presence of wetlands.
- **Agriculture District/Activities:** Build-Ready has a policy to avoid developing sites in an agricultural district and/or with significant agricultural activity.
- **Potential Non-Energy Use:** A site being considered for potential non-energy use, such as a commercial development opportunity.

Note that a site may have not advanced due to a combination of factors, with the most prominent reasons displayed in Table 3.

Table 3. Common Challenges to Advancing Build-Ready Sites

Challenge	Number of Closed Sites
Lack of Landowner Interest	45
Potential Non-Energy Use	30
Private Renewable Energy Developer Interest	24
Insufficient Buildable Area	23
Nonviable Interconnection	15
Environmental Issues	11
Agricultural District/Activity	4
Total	152

The top challenges Build-Ready faces in advancing sites include lack of landowner interest, a potential non-energy use for the site, existing private renewable energy developer interest, insufficient buildable area, and nonviable interconnection. Thus, it is critically important for Build-Ready to identify potential barriers as early as possible during the site screening and assessment phases, to take a thoughtful and measured approach to pre-development activities, and to continuously add new and viable sites to its pipeline. The following sections further elaborate on Build-Ready’s efforts to advance its pipeline.

2.2 Advancement of Build-Ready’s Pipeline

The Build-Ready Program continued to advance its pipeline in various ways that included implementation of the new screening and origination strategies introduced in the 2022 Annual Progress Report.

In 2023, Build-Ready engaged with landowners representing 60 potential sites across New York State. Of the 60 sites, Build-Ready successfully executed four exclusive MOUs representing 14 potential sites. MOUs were issued with the Town of East Hampton for a portfolio of 11 potential sites, with Tompkins County for the Caswell Landfill and for the Ithaca Tompkins International Airport, and with Orange County for the Orange County Landfill. These projects have advanced into development and are further discussed in section 3. In addition, seven potential MOUs were eliminated due to project fatal flaws or because Build-Ready was unable to provide a benefit package that aligned with the landowners’ financial and clean energy interests.

Notably, the Build-Ready Program made progress advancing its pipeline in New York City and Long Island with a focus on solar PV parking lot canopies. Build-Ready engaged with landowners and 27 key channel partners including Con Edison, the Long Island Power Authority (LIPA), counties, towns, the State University of New York (SUNY) system, and the City University of New York (CUNY) system. These engagements resulted in 20 new sites.

At year end, the Program had a pipeline of 33 potential sites in different stages of screening and development and anticipates entering into MOUs for up to nine locations in 2024.

The following sections 2.2.1 Site Screening and 2.2.2 Data Normalization provide additional detail on Build-Ready's site screening and origination efforts in 2023.

2.2.1 Site Screening

The Build-Ready Program completed screening all 62 counties in New York State for potential Build-Ready sites including dormant electric generating sites. In 2023, the remaining 27 counties, which have a high risk of grid congestion, were screened, and resulted in 553 new sites that advanced through Screening. By year end 2023, a total of four sites out of the 553 advanced to Active status. However, one site was eliminated due to interconnection hurdles, one site was eliminated due to lack of landowner interest, and two sites are on hold due to a lack of optimal right-of-way for generator tie-in.

As discussed in the 2022 Annual Progress Report, Build-Ready started re-assessing the New York State Department of Environmental Conservation (NYSDEC) Environmental Site Remediation Database using a lower buildable area threshold of nine and a half acres.⁸ The 2022 review included 24 upstate counties with low interconnection risk. The result was a total of 6 sites in 2023 remaining in Active status. In 2023, the Build-Ready Program completed its re-assessment of the remaining 31 counties determined to have high interconnection risk. A total of 132 sites made up of 979 separate parcels were assessed. Of the 132 sites, 10 had enough buildable acreage to support development of a Build-Ready site and were advanced into Active status. After further due diligence of the sites identified in the 2022 and 2023 re-assessments, a total of 16 sites remained in Active status. These sites are either on-hold or are being advanced through the origination phase.

As discussed above and in the 2022 Annual Progress Report, Build-Ready is implementing a solar PV parking lot canopy origination strategy. In 2023, the Build-Ready Program and its consultants screened the entirety of New York State for potential private and public parking lot project opportunities with greater than nine-acres of available buildable area. Fifty-five potential parking lot sites were identified. The Build-Ready Program has engaged with landowners and conducted initial interconnection assessments to determine the viability of these sites and is engaged in multiple negotiations to enter into MOUs for development.

In addition, in 2023, the Build-Ready Program continued to screen dormant electric generating sites to assess their feasibility for hosting a Build-Ready project. None of the dormant electric generating sites were found to be suitable for utility scale solar PV projects for various reasons such as insufficient buildable area, lack of landowner interest, or there being a higher and better use for the site (i.e. non-energy use). In 2024, the Program will re-evaluate dormant electric generating sites that were previously reviewed, and any additional electric generating sites that Build-Ready has become aware of, to assess whether the sites are appropriate for DG solar PV projects and/or standalone energy storage.

2.2.2 Data Normalization

The Build-Ready Program completed a data normalization and mapping initiative focused on the organization, management, and maintenance of sites previously identified by the Build-Ready Program from its inception in 2020. As a result of this effort, the program now has an easily accessible and searchable state-wide database with a corresponding mapping tool.

2.3 Conferences and Events

During 2023, Build-Ready Program staff and consultants participated as attendees, panelists, or presenters at several conferences. They included the New York Association of Towns, the Mohawk Valley Brownfield Redevelopment Summit, the New York State Economic Development Council (NYS EDC) Annual Meeting, the Independent Power Producers of New York (IPPNY) Annual Clean Energy Conference, the NY-BEST Spring Conference, the NYC Solar + Storage Summit organized by Sustainable CUNY and the New York Solar Energy Industry Association (NYSEIA), the RE+ National Conference, the Alliance for Clean Energy New York Annual Conference, the NYSEIA Annual Meeting, and the Fall Industrial Development Agency (IDA) Academy organized by the NYS EDC.

3 Portfolio of Projects under Development

The Build-Ready Program projects under development continue to evolve and mature. Table 4 represents a total of 21 sites that are progressing through various stages of development. The projects represent a mix of single sites and portfolios of sites across the State. The locations include former mines, landfills, industrial sites, and previously contaminated properties, as well as currently operating parking lots and airports.

Table 4. Build-Ready Sites under Development

County	Site Type	Utility Territory	Technology	Project Study Area (Acres)	Buildable Area (Acres)	Total Estimated Capacity (MW)
St. Lawrence	Mine	National Grid	Solar PV	245	178	12 MW
Tompkins	Landfill	NYSEG	Solar PV + BESS	112	58	15 MW
Suffolk	Landfill/Parking Lot/Underutilized	LIPA PSEG-LI	Solar PV + BESS	104	54	15 MW
Suffolk	Landfill	LIPA PSEG-LI	Solar PV + BESS	400	180	30 MW
Orange	Landfill	Orange and Rockland	Solar PV + BESS	420	150	8.5 MW
Niagara	Landfill	National Grid	Solar	135	100	10 MW
Jefferson	Contaminated/Former Industrial	National Grid	Solar PV + BESS	311	150	17 MW
Niagara	Remediated Superfund Site	National Grid	Solar	41	30	5 MW
Herkimer	Formerly contaminated Site	National Grid	Solar PV + BESS	12	6	10 MW
Tompkins	Airport	NYSEG	Solar PV + BESS	627	28	10 MW

Build-Ready understands that each site and its surrounding community are unique. For each of these sites, Build-Ready will pursue development, de-risking, and stakeholder engagement approaches that fit the needs of the sites themselves as well as their surrounding communities. The Program will make the details of each site public through the engagement activities with host communities and during the environmental and site plan review processes.

Moving forward into 2024, one of the main goals of the Program is to enter into Lease Option Agreements (LOAs) as appropriate and begin stakeholder engagement to inform the conceptual design and the host community benefit agreements. Additionally, the Program will work to complete environmental and site plan review and submit the applicable interconnection request during the development stages of the project.

If at any point during the development stage Build-Ready finds that a site is no longer viable, whether it be due to environmental concerns, high development costs, or any other unavoidable issues, the Program will end the development of the site.

The following section provides a summary of the sites under development.

3.1 BR Benson Mines Solar PV Project

In 2023, the Build-Ready Program continued to develop the BR Benson Mines Solar PV Project and issued the first Build-Ready RFP to auction the project to developers (section 4. Build-Ready Auction). The BR Benson Mines Solar PV Project is sited on an iron ore mine tailings pile within the Benson Mines Inc. property located in the Town of Clifton, St. Lawrence County, New York.

Over the last year, the Build-Ready Program completed the NYISO System Impact Study (SIS). During the SIS, the Build-Ready Program learned that interconnecting a 20- MW Alternating Current (MWAC) solar PV project would require significant interconnection cost and would substantially extend the project schedule. As a result of the SIS findings, the Build-Ready Program reduced the project capacity from 20 MWAC to 12 MWAC to avoid the projected cost and schedule delays. After completing the SIS, the project entered into the NYISO Facilities Study and is currently moving through this process.

In addition, the Build-Ready Program advanced additional permitting requirements with the New York State Department of Transportation (NYSDOT) and completed remaining environmental diligence, which included a Phase I Environmental Site Assessment (ESA) refresh and the Phase II ESA.

The Program also developed a host community benefit agreement with the St. Lawrence County Industrial Development Agency (SLCIDA) that includes the Clifton-Fine Solar PV Community Improvement Fund. The eventual project owner will pay \$200,000 to the SLCIDA to manage and

administer a Community Improvement Fund. This fund is designed to support existing and new local businesses and employment opportunities in the Clifton-Fine School District. It focuses on accelerating business aesthetic improvements, enhancing business infrastructure, supporting business diversity and innovation, leveraging regional tourism, and furthering climate equity and justice.

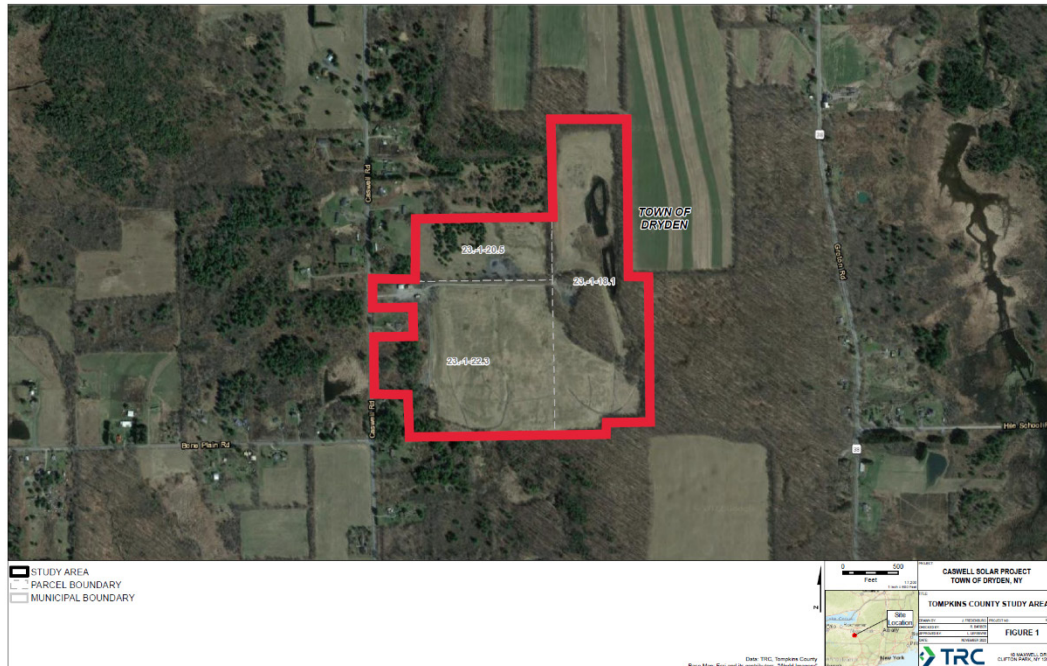
The Program also completed the negotiation of a Payment-in-Lieu-of-Taxes (PILOT) Agreement with the SLCIDA. This will also be signed and implemented once the project is transferred to the eventual owner of the project.

The first Build-Ready RFP (BRRFP23-1) was issued on October 2, 2023, for the Benson Mines project auction. It is anticipated that the project will be transferred to the winning proposer in Q3 2024. Please see section 4 for further discussion on the RFP and auction process.

3.2 Tompkins County-Caswell Road Landfill

In 2023, the Build-Ready Program advanced the Build-Ready (BR) Caswell Road Solar PV & BESS project in the Town of Dryden, Tompkins County, New York. The project is proposed on a capped landfill site that has been closed since 1985. The proposed project is a 12.5 MWAC solar PV and 2.5 MWAC BESS that includes commercial-scale solar arrays and inverters, access roads, buried collection lines, a generation-tie line, point of interconnection (POI), line-tap, fencing, and laydown areas. The project is anticipated to interconnect to the New York State Electric & Gas (NYSEG) Peruville substation, which is at the intersection of Peruville Road (Route 34B), and Peru Road (Route 38). As currently planned, the system will occupy approximately 51 acres of the approximately 112-acre project area, as depicted on the project Site Location Map (Figure 1).

Figure 1. Tompkins County-Caswell Road Landfill



In 2023, the main project activities included advancing the project through the NYISO interconnection process and initiating full design. A summary of the status of the project is provided below.

- **Site control:** Build-Ready obtained site control in November of 2022 via an MOU with Tompkins County for the BR Caswell Road Landfill for the portion of the property where the project is to be sited.
- **Interconnection:** The project’s interconnection request was submitted to the NYISO in August 2023 (NYISO Queue Position #1588). There is ongoing coordination with the NYISO and NYSEG as part of the Small Generator Interconnection Procedures process. Currently, the project is going through the SIS with the NYISO. Build-Ready is following the development of the NYISO Cluster Study process⁹ and will adjust the interconnection strategy based on the final rules adopted.
- **Full Design:** Build-Ready initiated the full design on the Caswell Road project, including site survey work, wetland delineation, and agency coordination.

3.3 Other Build-Ready Projects Under Development

3.3.1 Landfill Solar PV Projects

In 2023, four publicly owned landfills advanced through early development. Build-Ready has entered into MOUs with the Town of East Hampton in Suffolk County for developing solar opportunities on several properties including their municipally-owned landfill. In addition, Build-Ready continued advancing development on the Town of Brookhaven and Orange County Landfill projects. Build-Ready is also working to advance a project on a capped landfill in Niagara County.

For each site, environmental and wetland delineation studies were completed, initial interconnection feasibility assessments were conducted, and different project concepts were developed and discussed with site owners.

3.3.2 Abandoned Industrial Sites

3.3.2.1 Deferiet Paper Mill

The Build-Ready Program continued to work closely with Jefferson County and local officials on the site of an abandoned paper mill in the Village of Deferiet. In 2023, Jefferson County was awarded a \$8.57 million Restore NY Grant from New York State’s Empire State Development (ESD) organization to address the demolition of derelict structures on the site, which Build-Ready contributed towards. Over the course of the last year, Build-Ready learned that National Grid removed the transmission line the project was planning to connect to. With the removal of the transmission line, the project’s interconnection pathway is no longer viable. Based on this new development, Build-Ready is pausing its work on the Deferiet Paper Mill project and plans to stay in touch with the county stakeholders in case the interconnection conditions change. The stakeholders will be able to use the work that Build-Ready completed to support future development of the site.

3.3.2.2 Niagara County and Herkimer County Underutilized Sites

In 2023, three additional underutilized sites advanced through early development. Build-Ready is working to enter into an MOU with two promising sites in Niagara County and one site in Herkimer County. For each site, initial interconnection feasibility assessments were conducted, and different project concepts were developed and discussed with site owners. The Build-Ready Program will continue advancing these sites in 2024.

3.3.3 Tompkins County Airport-Solar Airport Project

In 2023, the Build-Ready Program advanced the BR Ithaca Airport PV & BESS Project, in the Town of Lansing, Tompkins County, New York. The proposed project is in the early stages of Build-Ready's development process. The project will involve additional Federal Aviation Authority (FAA) review. The Build-Ready Program will work with the FAA in parallel with other permitting efforts, including the NYISO, to inform the Program on the design and development processes.

4 Build-Ready Auction

In 2023, the Build-Ready Program initiated its first auction with the BR Benson Mines Solar PV Project. The Build-Ready Program will award, sell, and transfer the Benson Mines Solar PV Project to an eligible proposer to complete the remaining development milestones, finance, construct, own and operate the project. The awarded proposer will enter into a Membership Interest Purchase Agreement (MIPA) to purchase the project from the Build-Ready Program and enter into a 20-year agreement to sell Tier 1 Renewable Energy Certifications (RECs) generated by the BR Benson Mines Solar PV Project (REC Agreement) to NYSERDA.

To fulfill its requirement to recoup the costs of site development, the Build Ready Program calculated a fixed project purchase price for the BR Benson Mines Solar PV Project of \$3,400,000. The purchase price will be paid by the awarded proposer to NYSERDA. The project purchase price includes all direct project development costs associated with BR Benson Mines Solar PV Project as well as a portion of Program and NYSERDA administrative costs. As more projects are auctioned, Build-Ready aims to recoup all costs and establish an evergreen fund to support future project development.

The RFP is being implemented through a two-step process, consisting of:

- **Step One Eligibility Application:** A qualifying step in which proposers must demonstrate their technical and financial ability to meet all the minimum eligibility qualifications outlined in the RFP. Step One proposers are required to submit an eligibility application which identifies their prospective project team, including three key personnel (project manager, design and engineering team lead, and construction team lead), and details previous experience with developing and designing, securing financing for, constructing, and owning and operating solar PV projects of two MWAC or greater. In addition, proposers must demonstrate minimum financial capabilities and submit a signed Step One Certification Form, which confirms information on the proposer's accredited investor status, commits to the Solar Energy Industry Associations Forced Labor Prevention Pledge, and identifies project team members with MyNYISO access, any conflicts of interest, and any current defaults. Proposers are also required to submit agreements with NYSERDA certifying they will adhere to Executive Orders No. 192 and No. 16 and sign a non-disclosure agreement. Proposers whose Step One Eligibility Applications are found to be complete and that meet all the minimum eligibility qualifications will receive a Notice of Qualification and will be invited to submit a Step Two Bid Proposal.

- **Step Two Bid Proposal:** A competitive step in which proposers will submit a bid proposal, including a Project Execution Plan, economic benefits that will accrue to New York State because of the project, proposer qualifications, a bid price, a project bid fee, and the Step Two certification form. The Project Execution Plan must include a step-by-step plan and schedule to complete the remaining project development requirements including a preliminary engineering, procurement, and construction plan, financing plan, labor plan, community engagement plan, operations and maintenance plan, and decommissioning plan. Proposers are requested to commit to fulfilling the economic benefits secured by the Build-Ready Program and encouraged to propose new or additional economic benefits. The qualifications proposers submitted in Step One will be used for Step Two. The bid price must conform to either the Index REC or Fixed REC pricing structure. The project bid fee is \$100,000, consisting of a \$10,000 non-refundable proposal fee, and a \$90,000 bid deposit, which will either be credited toward the awardee's payment of the MIPA purchase price, or, for proposers that are not awarded the project, refunded. Proposers must also submit a signed Step Two Certification Form. The Build-Ready Program will examine and evaluate bid proposals based on non-price and price factors. The non-price factors have a combined weighting of 45% of the overall score and are made up of: Project Execution Plan (20%), Economic Benefits (15%), and Proposer Qualifications (10%). The price factor is the bid price and has a weighting of 55%. The non-price factors will be evaluated by a technical evaluation panel (TEP) made up of NYSERDA staff and independent evaluators. The bid price will be evaluated by NYSERDA. The highest ranked bid proposal will be selected for the award.

In October 2023, the Build-Ready Program's BR Benson Mines Solar PV Project RFP was released and Build-Ready opened the Step One process to bidders. A Step One proposers webinar was held in October 2023. Eligibility Applications were due in December 2023. NYSERDA examined applications for completeness and issued Notices of Qualification in January 2024. The Step Two process opened in January 2024, a Step Two proposers' webinar was held in January 2024, and bid proposals are due in March 2024. NYSERDA anticipates awarding the project in Q2 2024 and completing the transfer in Q3 2024.

In addition, Build-Ready is starting to prepare for future project auctions. In 2024, NYSERDA anticipates initiating its second auction for a portfolio of Build-Ready projects. Activities will include modifying the RFP, MIPA, and REC Agreement for a portfolio of sites rather than a single site and incorporating the lessons learned from the first RFP.

5 Use and Status of Funding

The Order approved the Build-Ready Program budget of \$71.8 million through 2025 and authorized the use of \$50 million of CEF cash balances to serve as an initial funding source. The Order also specified that the proceeds from auctioned sites must be used to repay the CEF funds, and, thereafter, the proceeds will be reinvested into the Build-Ready Program to support the advancement of additional project sites. Table 5 provides a summary of expended and remaining funds through December 31, 2023, and Table 6 provides a financial status report of the Build-Ready Program through December 31, 2023.

As displayed in Table 5 and 6 below, the Build-Ready Program expenditures increased in 2023 compared to 2022. In 2023 salaries and overheads were higher because the Program was fully staffed with six full-time employee (FTE) staff members for most of 2023. In August 2023, two FTEs including a senior project manager and senior legal counsel departed NYSERDA. By the end of 2023, Build-Ready successfully hired a new project manager and senior legal counsel that started in January 2024. Build-Ready also competitively contracted with two assistant project managers that started in July 2023. Technical, consultant, legal support, and system development expenditures increased as Build-Ready moved more sites from origination into development and started the auction of its first site. The Build-Ready Program anticipates spending to increase in 2024 to reflect a fully staffed Program and increased development and procurement costs related to a maturing portfolio.

For 2023, there are no proceeds to report because Build-Ready did not complete the auction and transfer of any sites. In 2024, the Build-Ready Program anticipates completing the auction and transfer of its first site and will report the proceeds recouped through the auction in the applicable report.

Table 5. Summary of Build-Ready Program Funding and Spending from Program Inception through December 31, 2023 (Amount in thousands)

Category	Total Funding	2020	2021	2022	2023	Cumulative Spending	Remaining Funding
Salaries and Overhead	\$13,500.0	\$26.9	\$1,420.1	\$1,244.6	\$1,776.1	\$4,467.8	\$9,032.2
Technical, Consultant, Legal Support, and System Development	\$57,500.0	\$220.5	\$1,526.0	\$999.6	\$1,889.7	\$4,635.9	\$52,864.1
New York State Cost Recovery Fee Expense	\$800.0	\$0.3	\$32.4	\$23.2	\$34.4	\$90.2	\$709.8
Total	\$71,800.0	\$247.7	\$2,978.5	\$2,267.4	\$3,700.2	\$9,193.9	\$62,606.1

Table 6. Build-Ready Cumulative Financial Status Report (Amount in thousands)

	2020	2021	2022	2023	Total
Revenues/Sources of Funds					
Site Disposition Fees	-	-	-	-	-
Clean Energy Fund Resources*	\$247.8	\$3,354.0	\$2,878.9	\$3,605.3	\$10,086.0
Financial Backstop Guarantee					
Investment Income**		\$0.4	\$37.3	\$119.7	\$157.4
Total	\$247.8	\$3,354.4	\$2,916.2	\$3,725.0	\$10,243.4
Expenses/Use of Funds					
Program Administration	\$27.0	\$1,420.1	\$1,244.6	\$1,776.1	\$4,467.8
Program Support	\$220.5	\$1,526.0	\$999.6	\$1,889.7	\$4,635.8
Clean Energy Fund Resources (Returned)					
NYS Cost Recovery Fee	\$0.3	\$32.4	\$23.2	\$34.4	\$90.3
Total	\$247.8	\$2,978.5	\$2,267.4	\$3,700.2	\$9,193.9
Surplus/(deficit)		\$375.9	\$648.8	\$24.8	\$1,049.5
Cumulative Surplus/(deficit)					\$1,049.5
Cash Balance at 12/31/2023					\$1,049.5

* NYSERDA is authorized to use any cash balances in the CEF through the "Bill-As-You-Go" funding mechanism to satisfy Build-Ready Program cash payments until such funds are replenished and restored to the CEF through ongoing Build-Ready site disposition.

** Investment income represents earnings that can be attributed to the investment of cash balances that are not immediately required for programmatic use. The income is primarily derived from these balances invested in U.S. Treasury securities, such as Treasury Bills and Treasury Notes.

6 Program Plans for 2024

The Build-Ready Program has numerous plans for 2024 that build on the Program's accomplishments and lessons learned to date. The following section details many of the Build-Ready Program's plans for 2024.

- **Move More Projects from Origination into Development.** The Program plans to move numerous sites from origination into development in 2024 including up to four large-scale solar PV and battery storage projects and up to three municipal portfolios including a mix of large-scale and DG projects.
- **Advance Projects in Development into Permitting, Stakeholder Engagement, and Interconnection including the NYISO Cluster Study Process.** In 2024, the Build-Ready Program will begin the permitting, stakeholder engagement, and the interconnection process for a mix of DG and large-scale projects. The DG projects will progress through the utility Standard Interconnection Requirements (SIR). The large-scale projects will progress through the NYISO emerging Cluster Study Process.¹⁰ The first Cluster Study window will open July 1, 2024, and close roughly three months later. The second Cluster Study window is anticipated to open May 3, 2026, and extend through June 17, 2026. Therefore, if projects are not submitted for the first Cluster Study window, then they will have to wait until May 2026 to begin the 18-month NYISO interconnection process. As such, the Build-Ready Program is aiming to submit as many projects into the first Cluster Study window as possible, though each project must be suitably de-risked and developed to support prudent, well-supported investment decisions.
- **Complete the Auction and Transfer of BR Benson Mines Solar PV Project in 2024.** The Build-Ready Program anticipates completing the auction and transfer of BR Benson Mines Solar PV Project in Q3 2024 to the winner of the bidding process.
- **Prepare and Launch a Second Auction in 2024.** The Build-Ready Program anticipates initiating a second auction for a portfolio of up to four Build-Ready projects that includes a mix of large-scale and DG projects. To prepare for the second auction, the Build-Ready Program will modify the RFP, MIPA, and REC Agreements to include a portfolio of sites rather than a single site and will incorporate any lessons learned from the first RFP. Such modification of the RFP and associated documents will support future Build-Ready portfolio solicitations.

- **Expand the Build-Ready Program to allow the Program to identify and explore opportunities to de-risk and develop difficult, underutilized sites for standalone bulk energy storage projects to help meet the State's Climate Act goals and benefit host communities.** The Build-Ready Program was established to develop difficult, underutilized sites for large-scale renewable energy projects that the private sector will not develop because of risk and cost. Build-Ready has identified numerous difficult, underutilized sites that are not well suited for large-scale renewable energy projects because of insufficient buildable area and/or non-viable interconnection. These sites could be excellent candidates for standalone bulk energy storage projects and will have risks and costs the private sector may not be willing to undertake. The Build-Ready Program is uniquely positioned to address the challenges associated with these sites. The Program will use 2024 to identify and explore opportunities for Build-Ready to de-risk and develop standalone bulk energy storage projects on difficult, underutilized sites that could be eligible for the new standalone index storage credit that NYSERDA is developing and address any barriers to the Program advancing these projects.
- **Engage Build-Ready's Voluntary Market Advisory Group (MAG) to Inform Program and Project Strategies.** The Build-Ready Program plans to solicit feedback from the voluntary MAG on other projects prior to auction and as it develops and refines its solar PV canopy, solar plus BESS, and DER aggregation strategies and projects.
- **Coordinate and Partner with other NYSERDA Programs and State Agencies to Advance Mutual Goals.** The Build-Ready Program is collaborating with other NYSERDA Programs including the Tier 1, Clean Siting, NY-Sun, Energy Storage, Economic Development, Energy, Climate and Equity, Clean Transportation, and REV Campus Challenge programs, as well as coordinating with other sister agencies including ESD, NYSDEC, New York Power Authority (NYPA), Department of State (DOS), Office of General Services (OGS), and others. The Build-Ready Program will continue to collaborate with these other programs and agencies to advance mutual clean energy and climate change goals and maximize benefits to host communities of Build-Ready projects.
- **Support New York State's Commitment to an Inclusive Clean Energy Economy.** The Build-Ready Program is developing and implementing an inclusive host community stakeholder engagement approach for each of the projects to deliver maximum benefits to host communities. Stakeholder engagement includes identifying and engaging with historically marginalized communities to gather meaningful input into the development of the Build-Ready projects, such as the creation of host community benefit packages.
- **Continue to Strengthen Relationships with NYS Utilities.** The Build-Ready Program engaged with several New York State utilities in 2023 to discuss the Build-Ready Program and identify any potential projects within respective territories. The conversations provided insights on how the Build-Ready Program could provide mutual benefits for both the Program and the utilities. The Build-Ready Program plans to continue utility engagement and collaboration in 2024.
- **Responsibly Deploy and Manage Program Funds.** The Build-Ready Program will continue to responsibly deploy and manage Program funds. With the first project auction in 2023, the Build-Ready Program anticipates recouping its costs for the BR Benson Mines Solar PV Project in 2024.

- **Secure Speaking Engagements at Conferences Relevant to Build-Ready and its Stakeholders.** In 2024, the Build-Ready Program plans to participate in several State and national conferences to continue to build out the Program’s pipeline and to share lessons learned from the Build-Ready Program. Conferences include, but are not limited to, RE+ Northeast, the New York State Economic Development Council Annual Meeting, NYBEST Spring Conference, the Alliance for Clean Energy New York Annual Conference, and the New York Solar Energy Industry Association Annual Conference.
- **Plan and Prepare for the Build-Ready Program Five-Year Evaluation.** The Build-Ready Program Order requires NYSERDA to file a five-year evaluation of the Build-Ready Program before April 2025. The purpose of the evaluation is to assess the Program’s progress in meeting the State’s clean energy goals. The Order states that the evaluation will be filed for public comment and will, in part, be the basis upon which future Program advancement will be considered. This evaluation will go before the PSC for a decision regarding the continuation and/or modification(s) to the Program and include any additional funding, if necessary, after the initial five years. In 2024, Build-Ready will prepare the five-year evaluation for filing on or before April 1, 2025.

The Build-Ready Program will continue building on the momentum achieved in 2023 and making significant progress fulfilling the goals and objectives of the Act, the Order, and the Build-Ready Implementation Plan in 2024.

Endnotes

- ¹ In 2023, the Federal Energy Regulatory Commission (FERC) issued Order No. 2023 requiring transmission operators across the U.S., including the NYISO, to reform their standard generator interconnection procedures and agreements to increase the speed and transparency of interconnection queue processing. The NYISO is updating its standard interconnection procedures and agreements to comply with FERC Order No. 2023 and is transitioning to a new process that studies “clusters” of projects every 18 months. The new Cluster Study Process adjusts the studies, timelines, and fees associated with the standard interconnection procedures. For details on the transition to the Cluster Study Process visit: <https://www.nyiso.com/iitf>
- ² Accelerated Renewable Energy Growth and Community Benefit Act. Chapter 58 (Part JJJ) of the laws of 2020. Available at: https://nyassembly.gov/leg/?default_fld=&&leg_video=&&bn=A09508&&term=2019&&Text=Y
- ³ New York Public Service Commission. CASE 15-E-0302 - Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard. “Order Approving Build-Ready Program.” Issued and Effective October 15, 2020. Available at: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B0F6CC45-490C-48A7-B0FB-6D3C7924993C}>
- ⁴ NYSERDA. “Build-Ready Implementation Plan.” 12 January 2021. Available at: <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={277A546B-8DD7-4D19-8532-E4049B1141E1}>
- ⁵ The Build-Ready Program defines lower interconnection risk areas as parts of New York’s electric transmission and distribution grid that have the capacity to support additional integration of renewable energy generation, also called available headroom, and limited congestion. The presence of available headroom and limited congestion will facilitate simpler and lower cost interconnection of renewable energy generation projects.
- ⁶ NYSERDA. Clean Energy Resource Development and Incentives: The Build-Ready Program Annual Progress Report 2022. 1 April 2023. Available at: <https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/Clean-Energy-Standard/LSR-BRP-2022-annual-r-1-v3-acc.pdf>
- ⁷ The Build-Ready Program captures the status of a site as *active*, for sites that are progressing through screening/assessment/diligence, *on-hold*, for sites where advancement is paused due to an underlying issue that may be resolved in the short-medium term, and *closed*, for sites where there is a fatal flaw and the site can’t progress further. Often these issues are outside of Build-Ready’s control, such as an interconnection issue that maybe resolved with a planned system upgrade in the next few years. As such, Build-Ready pauses work on the site and revisits the site later to see if advancement is possible.
- ⁸ New York State Department of Environmental Conservation Environmental Site Remediation Database: <https://www.dec.ny.gov/cfm/x/extapps/derexternal/index.cfm?pageid=3>
- ⁹ In 2023, the Federal Energy Regulatory Commission (FERC) issued Order No. 2023 requiring transmission operators across the U.S., including the NYISO, to reform their standard generator interconnection procedures and agreements to increase the speed and transparency of interconnection queue processing. The NYISO is updating its standard interconnection procedures and agreements to comply with FERC Order No. 2023 and is transitioning to a new process that studies “clusters” of projects every 18 months. The new Cluster Study Process adjusts the studies, timelines, and fees associated with the standard interconnection procedures. For details on the transition to the Cluster Study Process visit <https://www.nyiso.com/iitf>
- ¹⁰ Ibid.

NYSERDA, a public benefit corporation, offers objective information and analysis, innovative programs, technical expertise, and support to help New Yorkers increase energy efficiency, save money, use renewable energy, and reduce reliance on fossil fuels. NYSERDA professionals work to protect the environment and create clean-energy jobs. NYSERDA has been developing partnerships to advance innovative energy solutions in New York State since 1975.

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