



NYSERDA

New York State Offshore Wind

Fourth Solicitation Award and Program Update

March 19, 2024

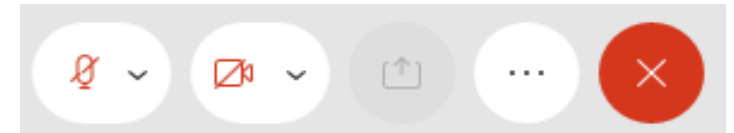



Meeting Procedures

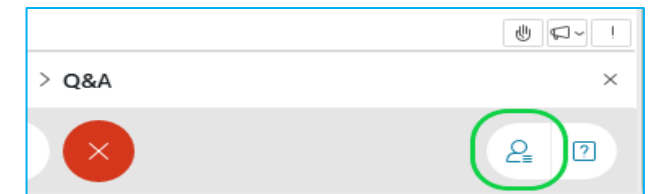
Webinar recording and presentation will be available in our Event Archive at wind.ny.gov

Participation for Members of the Public:

- > Members of the public have been muted upon entry.
- > Questions and comments may be submitted in writing through the Q&A feature at any time during the event. Please submit to **All Panelists**.
- > If technical problems arise, please contact Sal.Graven@nyserda.ny.gov



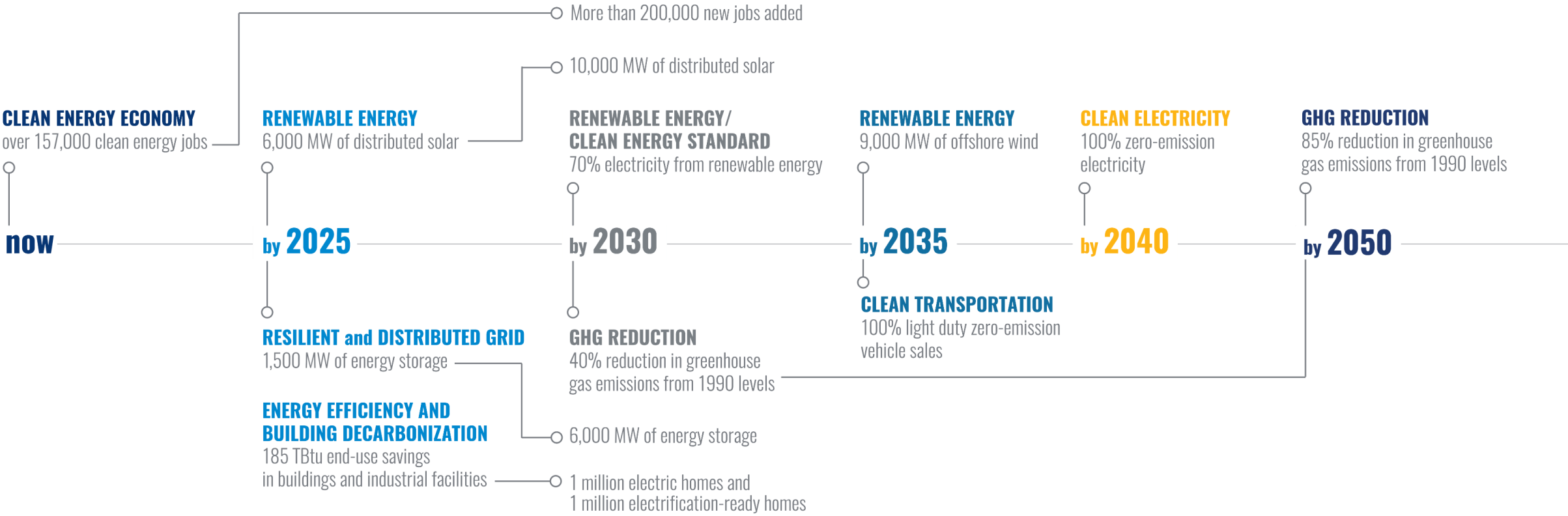
You'll see  when your microphone is muted



Agenda

- **New York's Role in Offshore Wind Development**
- **Diving Deeper: Recent Happenings**
- **NYSERDA's Fourth Offshore Wind Solicitation (NY4)**
- **Fisheries Compensation Request for Proposals**
- **Engagement Opportunities & Next Steps**
- **Q&A**

Summary of New York State Climate Act Targets



BOEM*

The Federal Role

- Siting and leasing process for Wind Energy Areas on Outer Continental Shelf
- Federal permitting processes: Site Assessment Plans (SAP), Construction and Operations Plans (COP), Environmental Assessments (EA), Cultural Resources

*BOEM is the abbreviation for the Bureau of Ocean Energy Management, within the U.S. Dept. of Interior

New York

The State Role

- Buyer in long-term revenue contracts (ORECs) with projects
- State permitting processes
- Energy policy and strategy development
- Stakeholder engagement
- Supply chain and workforce development
- Research and data development
- Regulatory activities related to offshore energy development

**NYSERDA, DOS, DEC, DPS,
State Historic Preservation
Office (Parks)**

Developers

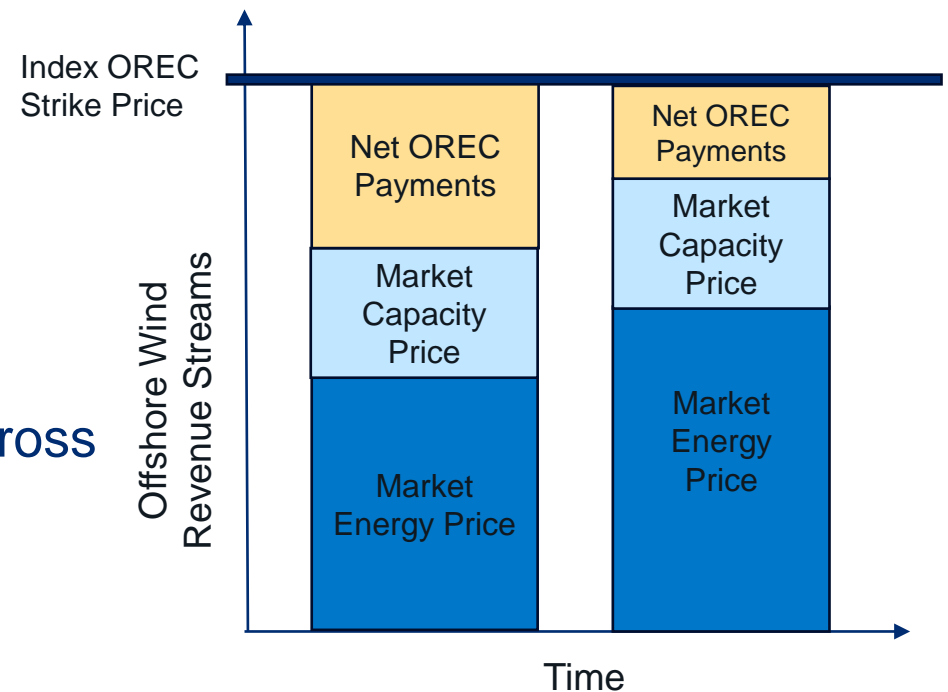
The Industry Role

- Design, finance, build, and operate projects
- Fulfill federal and state permit requirements
- Supply chain planning including ports development and top-tier procurement
- Stakeholder engagement throughout development
- Contractual obligations, including commitments to New York's disadvantaged communities, Environmental and Fisheries Mitigation Plans, and labor agreements

What are Offshore Wind Renewable Energy Certificates (ORECs)?

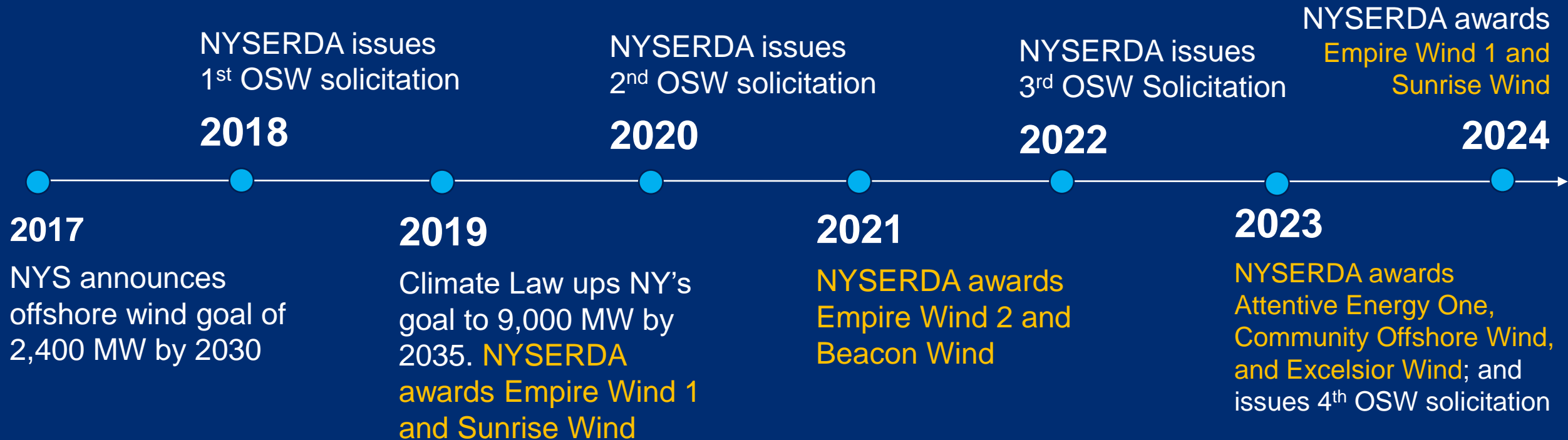
ORECs represent an important source of revenue to enable renewable energy development from offshore wind, recognizing that New York's electricity markets do not directly value the environmental attributes associated with clean electricity generation.

- NYSERDA purchases ORECs (part of contracts with competitively-selected offshore wind projects)
- Utilities and other load serving entities are required to purchase ORECs from NYSERDA
- Cost of ORECs passed along to electricity consumers across New York State through utility bills
- Prices fixed for 25-year contract term



How New York State Procures Offshore Wind

NYSERDA issues competitive solicitations for offshore wind energy and contracts with developers to purchase Offshore Renewable Energy Certificates (ORECs).



Diving Deeper:

Economic Conditions and Terminated OREC Agreements

Did you know? Macroeconomic challenges have affected New York's Offshore Wind portfolio (as well as other infrastructure projects across the country).

Still, the offshore wind industry continues to advance.

Here's what happened:

On October 12, 2023, the NYS Public Service Commission (PSC) denied petitions from developers to adjust contracts with NYSERDA.

- Through PSC petitions, financial relief was sought by four NYSERDA-contracted offshore wind projects (Empire Wind 1, Empire Wind 2, Beacon Wind, Sunrise Wind)
- Petitions described how a series of unanticipated and extraordinary economic events have given rise to inflation, supply chain disruptions, and interest rate increases. Also described effects of supply chain bottlenecks, delays in permitting and interconnection processes, and unexpected interconnection costs
- PSC **denied petitions** seeking adjustments to OREC prices established through NYSERDA's competitive procurement process *"on the grounds that the relief sought is inconsistent with Commission policy favoring competition in generation procurement and for the other reasons..."*

Diving Deeper:

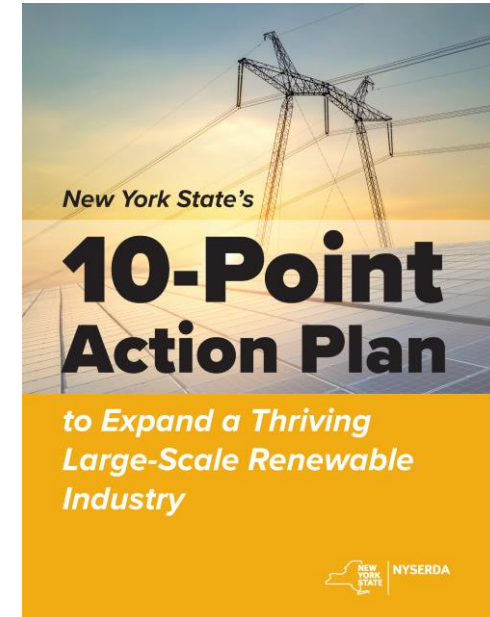
New York's Actions to Advance Progress

Did you know? New York remains committed to advancing a cleaner, more prosperous future for our State and our nation.

Here's what happened:

Also on October 12, 2023, Governor Hochul released a 10-Point Action Plan to set forth an **accelerated offshore wind solicitation process**, among other actions, to continue to invest in and advance the State's clean energy transition.

- On October 24, 2023, NYSERDA competitively selected three offshore wind projects resulting from the State's third offshore wind solicitation (Attentive Energy One, Community Offshore Wind, Excelsior Wind) along with blades and nacelles manufacturing in the Capital Region
- NYSERDA launched its **fourth offshore wind solicitation** on November 30, 2023
- In January 2024, **Empire Wind 2** and **Beacon Wind** announced the **termination of OREC agreements** with NYSERDA



NYSERDA's Fourth Offshore Wind Solicitation (ORECRFP23-1)

NY4 Expedited Solicitation Schedule

RFP Release	November 30, 2023
Proposal Submission	January 25, 2024
Award Notification	February 29, 2024
Contract Execution	Expected Q2 2024

Key Modifications

- Streamlined submission requirements; reduced bid fees
- Flexibility for a variety of proposals, including for projects that currently hold contracts with NYSERDA but commit to conditional termination

Bid Scoring Criteria

70% Price

20% Economic Benefits

10% Project Viability

NYSERDA's Fourth Offshore Wind Solicitation (ORECRFP23-1)

Key Solicitation Provisions

- Procuring up to 1,400 MW per project
- Required Environmental and Fisheries Mitigation Plans, Stakeholder Engagement Plans, and New York Jobs and Workforce Plan
- Proposers must demonstrate a detailed understanding of potential benefits and burdens to Disadvantaged Communities
- Contractual commitments to deliver benefits to NYS Disadvantaged Communities, including workforce training
- U.S. iron and steel minimum purchase requirements
- \$10,000 per megawatt to support regional wildlife and fisheries monitoring
- Optional risk-adjusted pricing
- NYSERDA can establish a waitlist of projects to consider at a later time

NY4 Proposals*

- Three proposers (Empire Wind 1, Sunrise Wind, Community Offshore Wind 2)
- Six bids offered

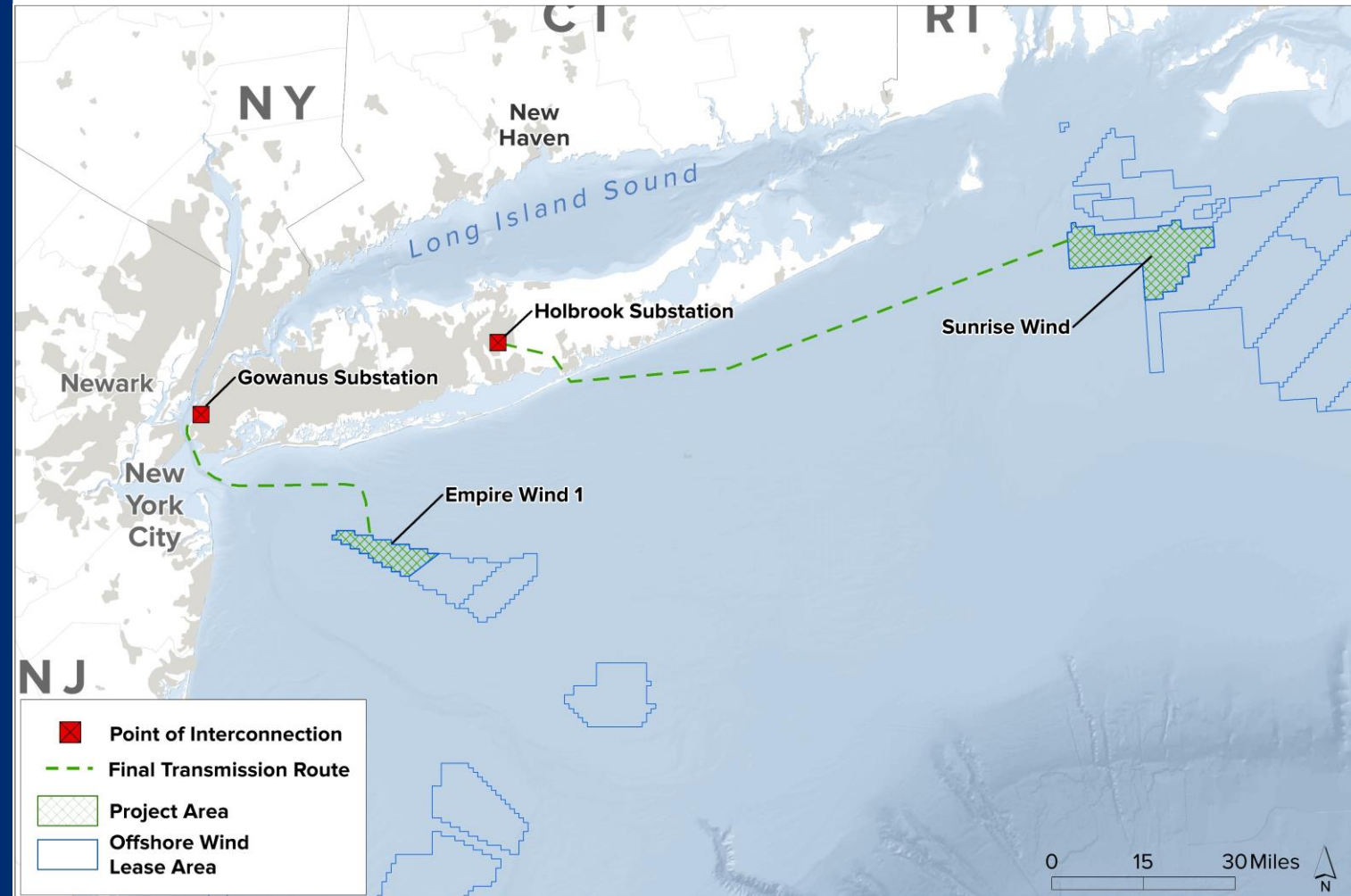
*Public versions of proposals are available on NYSERDA's 2023 Solicitation webpage

Empire Wind 1 (planned 810 MW)

Sunrise Wind (planned 924 MW)

- Enough energy to power one million New York homes, delivering first power in 2026
- Ramping up construction activities this year, creating **more than 800** near-term family-sustaining construction jobs and investing **\$2 billion** in near-term enhanced economic development
- Ushering in **port investments** at South Brooklyn Marine Terminal and Port of Coeymans
- **NEW** contractual commitments, including:
 - **\$32 million** in community-focused investments in New York's disadvantaged communities
 - **\$16.5 million** toward wildlife and fisheries monitoring
 - **Minimum of \$188 million** for U.S. iron and steel, supporting U.S. manufacturing and the New York Buy American Act

Two Projects Selected



Comparing 2019 to 2024: The weighted average Strike Price (nominal) for NY4 was \$150.15/MWh. **This shows a 32% increase in all-in project costs from NY1.**

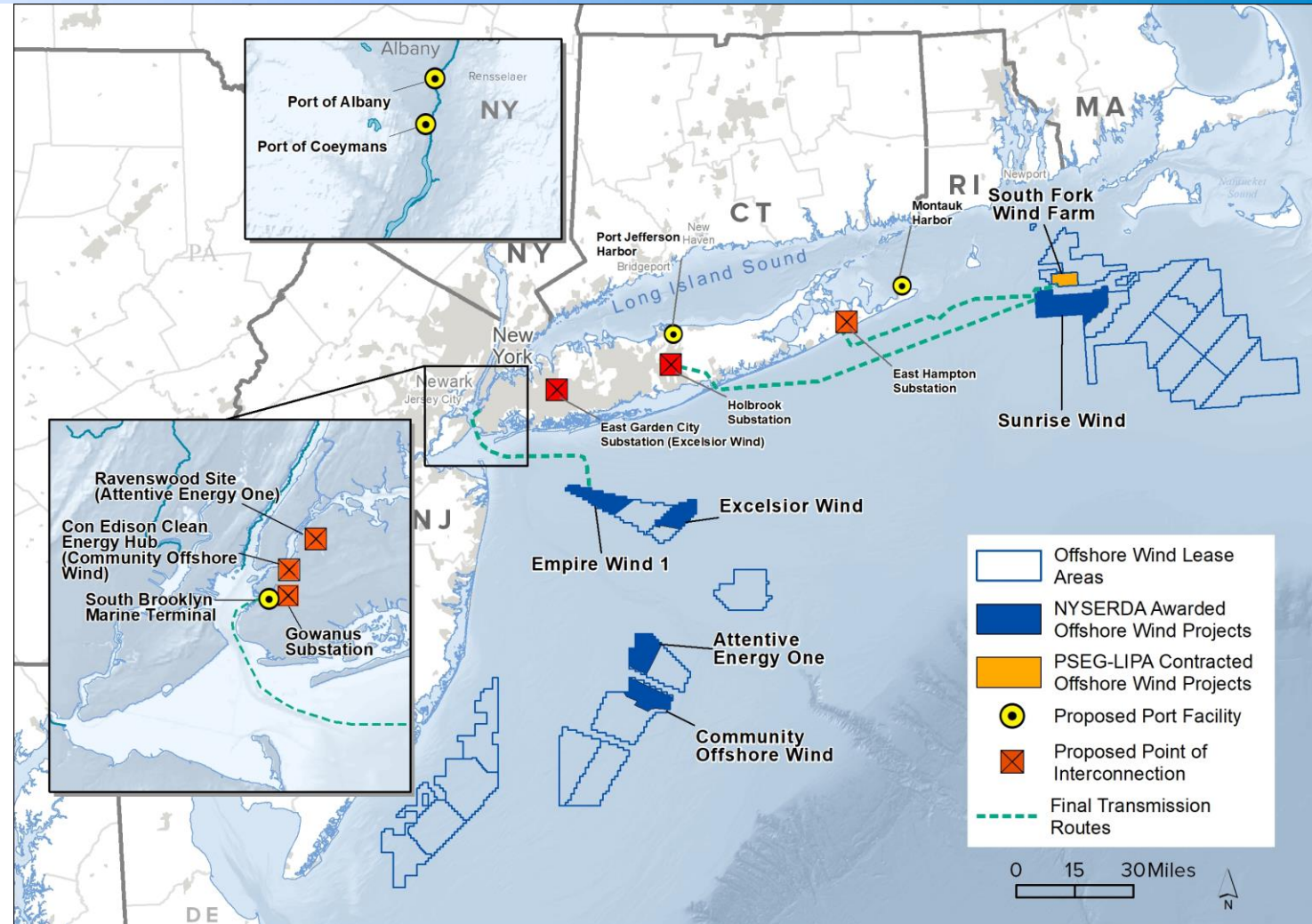
New York State Projects, Interconnection Points and Ports

New York's Current Offshore Wind Portfolio includes:

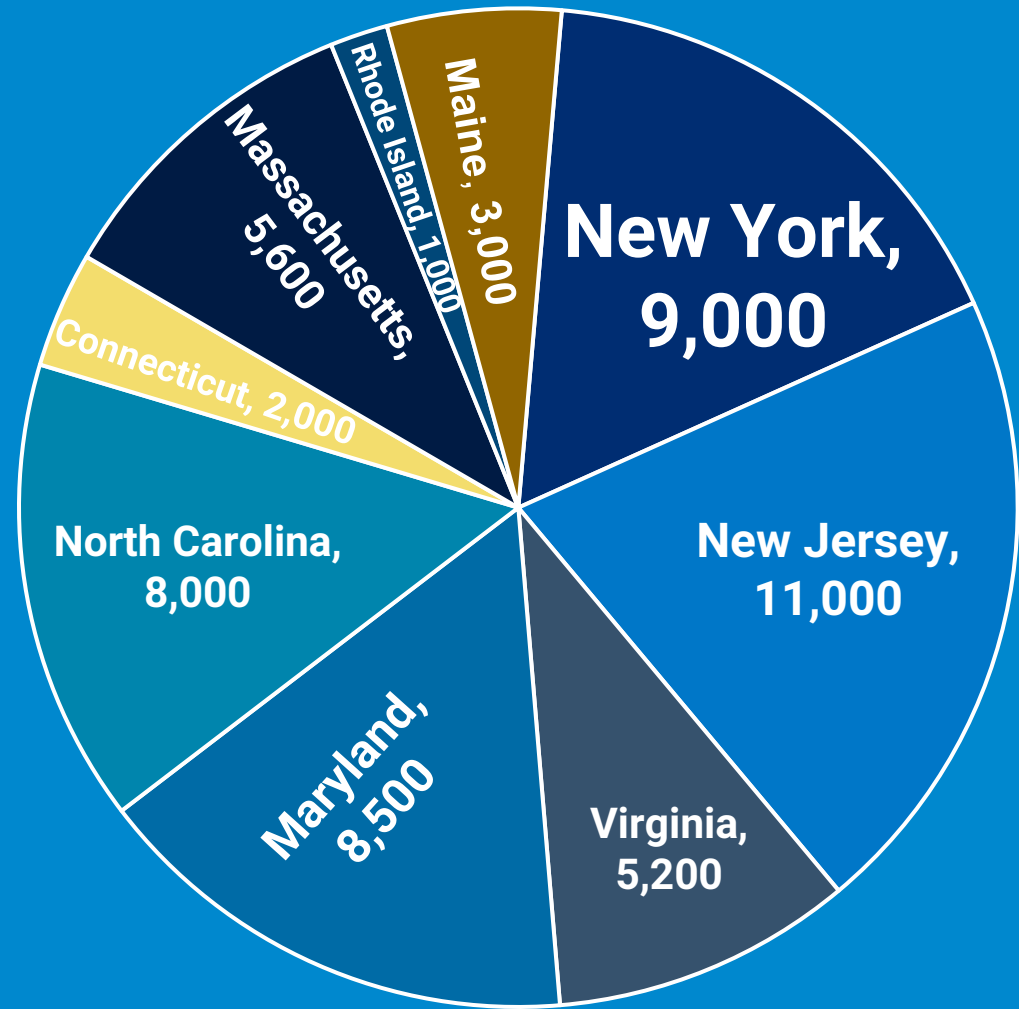
- One operating project; five projects in development
- Five ports in development

Project milestones:

- South Fork Wind **construction completed** and **delivering power**
- **BOEM approved** Empire Wind's Construction and Operations Plan in February 2024
- **BOEM released** Final Environmental Impact Statement for Sunrise Wind in December 2023

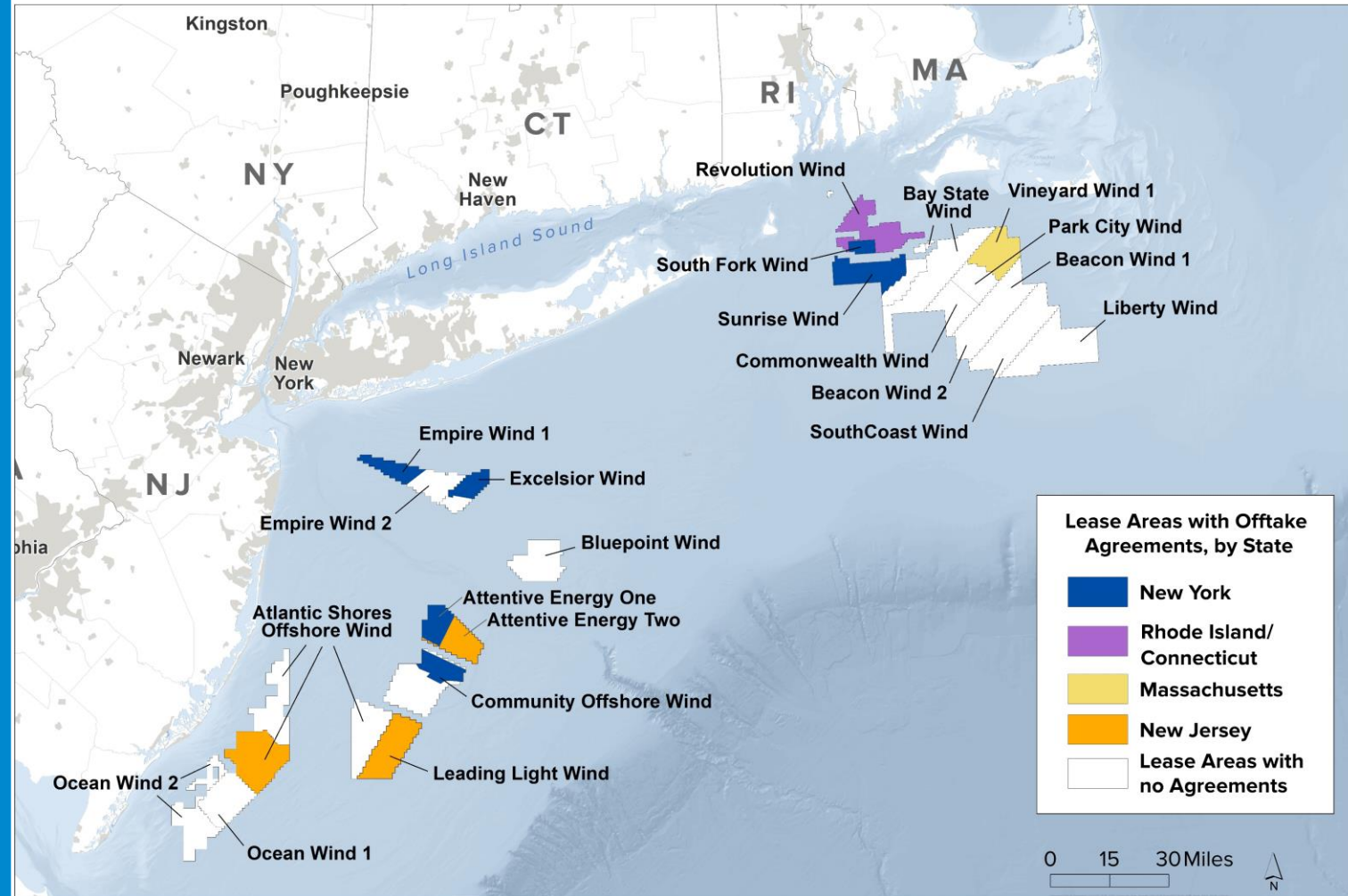


EAST COAST Goals: >50,000 MW



Offshore Wind Goals in Megawatt (MW) by State

Regional Industry: Federal Offshore Wind Lease Areas

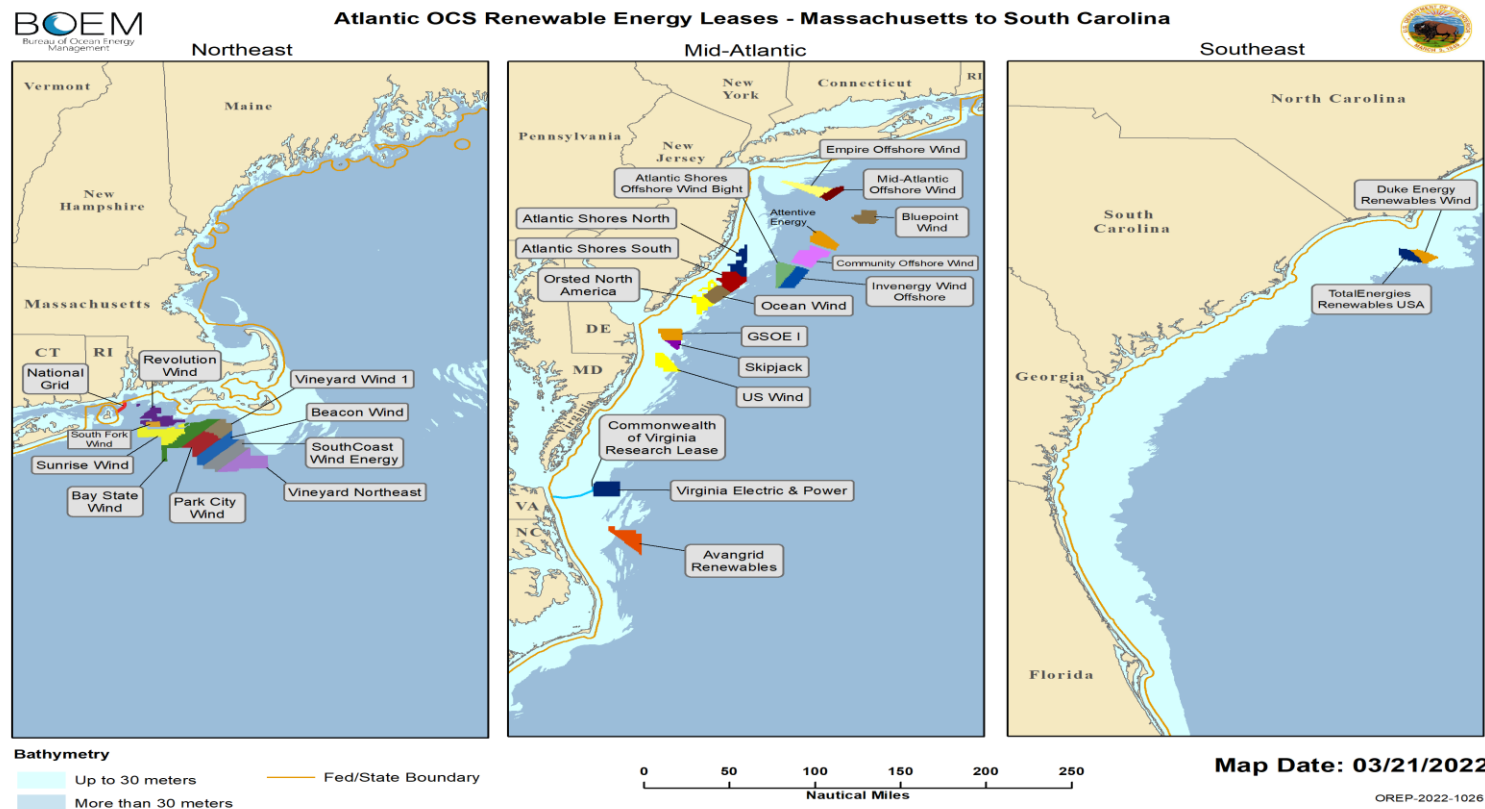




Establishing a Regional Compensatory Mitigation Claims Process for Offshore Wind Impacts on Fishing

Fisheries Compensation Mitigation: Issue

- Commercial and recreational fishermen are concerned about the displacement from fishing grounds due to multiple projects and the potential ecological impacts to fisheries
- Fishermen desire a consistent structure that could provide financial compensation to offset impacts.



Fisheries Compensatory Mitigation

Objective: to establish a credible regional administrator for managing and distributing fisheries compensatory mitigation funds for impacts from offshore wind for the US eastern seaboard

- 
- Maine
 - New Hampshire
 - Massachusetts
 - Rhode Island
 - Connecticut
 - New York
 - New Jersey
 - Delaware
 - Maryland
 - Virginia
 - North Carolina

- Consistency across projects and developers
- Fairness for fisheries across home and landing port
- Administrator with the same processes and procedures so that fishermen fishing in or near many projects can have a “one stop shop”
- Scale large enough for building expertise and efficiencies of scale
- Gain efficiencies of scale, avoid duplication and re-creation, and ensure fishermen have access to compensation regardless of the homeport, where they fish, or which state has contracted with the OSW developer

Avoid

Minimize

Mitigate

From the Bottom-up Design and Development Stakeholder Approach



Broad engagement of Fisheries (species/gear type, etc.) similar to the bottom-up Fisheries Management Council process

Ad hoc workshops, interviews, and meetings as needed

Design Oversight Committee (DOC)

Request for Proposals and Next Steps

February 2024: NYSERDA issued **Request for Proposals (RFP) 5554 Regional Fund Administrator for an Offshore Wind Fisheries Mitigation Fund**

Proposals due March 26, 2024 by 3:00 p.m. ET

See RFP 5554 details here: <https://www.nyserda.ny.gov/Funding-Opportunities/Current-Funding-Opportunities>

Late Spring 2024: **Select and contract** for design and development phase

Early Summer 2024: **Commence** Regional Fund design and development phase

For more information on the Regional Fund Administrator and BOEM efforts, visit:

- <https://offshorewindpower.org/fisheries-mitigation-project>
- <https://www.boem.gov/renewable-energy/request-information-reducing-or-avoiding-impacts-offshore-wind-energy-fisheries>

Offshore Wind Engagement Opportunities

In January 2024, NYSERDA hosted Offshore Wind Open Houses at four locations in Long Island, New York City and Albany.

We were joined by other New York State and City agencies, the federal Bureau of Ocean Energy Management (BOEM), offshore wind developers, and workforce development partners.

Are you interested in learning more at an in-person Offshore Wind educational event? **Tell us more at offshorewind@nyserda.ny.gov**



Stay Informed

Tune in for “Learning from the Experts” webinars



More than 40 webinars in the series! Check out our YouTube channel.

- **TOMORROW, March 20:** How Converter Stations and Substations Support Offshore Wind
- Visit wind.ny.gov to register
- Educational webinar series featuring outside experts presenting on key offshore wind technologies, development practices, and research findings
- All webinar recordings and presentations are available at nyserda.ny.gov/osw-webinar-series

Join our mailing list to receive the latest alerts!
Visit offshorewind.ny.gov to sign up

Looking Ahead

Support for the Offshore Wind Supply Chain in New York

- Coming soon ... NYSERDA is launching a Request for Proposals (RFP) as the next step in Governor Hochul's \$500 million commitment to the establishment and growth of an offshore wind supply chain ecosystem
- RFP design is being informed by responses to a Request for Information (RFI) in Fall 2023

New York State Offshore Wind Master Plan 2.0: "Deep Water"

- Coming soon ... New York is developing the Master Plan and supporting studies that will include a request to BOEM for additional offshore wind lease areas

Sign up for our emails to receive notification of the RFP launch and submission timeline:
<https://www.nyserda.ny.gov/All-Programs/Offshore-Wind/Contact/Connect-With-Us>

Questions?

Offshorewind@nyserda.ny.gov

