



**Renewable Portfolio Standard Program
Purchase of Renewable Energy Attributes
Request for Proposals (RFP) No. 3257**

Application Packages Due: Thursday, May 26, 2016 by 5:00 pm Eastern Daylight Time (EDT)*

APPROXIMATELY \$150 MILLION AVAILABLE

The New York State Energy Research and Development Authority (NYSERDA) seeks to procure the environmental attributes created by eligible generation resources under the Renewable Portfolio Standard Program (RPS Attributes). While not required, NYSEDA encourages entities interested in participating in this procurement to submit the attached Notice of Intent to Bid Form (Attachment F to this RFP) as soon as possible. Those entities filing a Notice of Intent to Bid Form will be notified by email of any changes to this RFP.

NYSERDA was created in 1975 by the New York State Legislature as a public benefit corporation. As designated in the Public Service Commission (PSC) *Order Regarding Renewable Portfolio Standard*, issued and effective September 24, 2004, NYSEDA acts as the Central Administrator of the RPS program. RFP 3257 will be implemented through a two-step process, consisting of (Step 1) an application step that will prequalify bidders, and (Step 2) a competitive Bid Proposal submission step. **Only those bidders found prequalified through the Step One application process will be permitted to submit Bid Proposals or otherwise participate in Step Two.**

Consistent with the Public Service Commission's January 21, 2016 Order,¹ the available funding for this solicitation may be increased should an excess in uncommitted funding become available from the System Benefits Charge, Energy Efficiency Portfolio Standard, and/or Renewable Portfolio Standard programs, or from other sources.

Step 1 Application Package Submission: Application Packages must be **received* by NYSEDA by 5:00 p.m. Eastern Daylight Time on Thursday, May 26, 2016.** Electronic submission is preferable. NYSEDA will also accept proposals by mail or hand-delivery. If submitting electronically, proposers must submit the proposal in either PDF or MS Word format with a completed and electronically signed Provisional Certification and Application Form including the Disclosure of Prior Findings of Non-Responsibility, in PDF format. Proposal PDFs should be searchable and should be created by direct conversion from MS Word, or other conversion utility, rather than scanning. For ease of identification, all electronic files must be named using the proposer's Bid Facility name in the title of the document. Proposals may be submitted electronically by following the link for electronic submissions found on NYSEDA's Funding webpage², located in the "Current Opportunities" section of NYSEDA's

¹ Case 14-M-0094, Proceeding on Motion of the Commission to Consider a Clean Energy Fund, Order Authorizing the Clean Energy Fund Framework, (January 21, 2016), pg. 110

² <http://www.nyserda.ny.gov/Funding-Opportunities/Current-Funding-Opportunities.aspx>

website. Instructions for submitting electronically are located as Attachment B to this RFP. Additional information specific to NYSERDA's Main Tier Solicitations are found on the Main Tier Solicitations website³.

It is recommended that applicants set aside ample time, well in advance of the deadline, to understand the requirements for the proposed Bid Facility and gather the associated documentation necessary to complete the Provisional Certification and Application process. The Provisional Certification and Application Form (Attachment A), must be completed and submitted on-line, before the deadline.

If mailing or hand-delivering, proposers must submit (2) paper copies of their Application Package, along with a CD or DVD containing both a PDF and MS Word digital copy of the proposal, following the above guidelines. Mailed or hand-delivered proposals must be clearly labeled and submitted to:

**Roseanne Viscusi, RFP 3257
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399**

NYSERDA intends to notify all prospective bidders as to their qualification status by Thursday, June 16, 2016. Qualified bidders will be provided detailed instructions for Step 2 Bid Proposal submission at that time; general information is provided below:

Step 2 Bid Proposal Submission: For Step 1 qualified Bidders; Step 2 Bid Proposals must be **received* by NYSERDA** by 5:00 p.m. Eastern Daylight Time on Tuesday, July 12, 2016. Electronic submission is preferable. NYSERDA will also accept proposals by mail or hand-delivery. If submitting electronically, proposers must submit the proposal in either PDF or MS Word format. Proposal PDFs should be searchable and should be created by direct conversion from MS Word, or other conversion utility, rather than scanning. For ease of identification, all electronic files must be named using the proposer's entity name in the title of the document. Proposals may be submitted electronically by following the link for electronic submissions found on NYSERDA's Funding webpage⁴, located in the "Current Opportunities" section of NYSERDA's website. Instructions for submitting electronically are located as Attachment B to this RFP. Additional information specific to NYSERDA's Main Tier Solicitations are found on the Main Tier Solicitations website⁵.

It is recommended that applicants set aside ample time, well in advance of the deadline, to understand the requirements for the proposed Bid Facility and gather the associated documentation necessary to complete the Bid Proposal process. The Bid Proposal must be completed and submitted on-line, before the deadline.

³ <http://www.nyserda.ny.gov/All-Programs/Programs/Main-Tier/Main-Tier-Solicitations>

⁴ <http://www.nyserda.ny.gov/Funding-Opportunities/Current-Funding-Opportunities.aspx>

⁵ <http://www.nyserda.ny.gov/All-Programs/Programs/Main-Tier/Main-Tier-Solicitations>

If mailing or hand-delivering, proposers must submit (2) paper copies of their Bid Proposal, along with a CD or DVD containing both a PDF and MS Word digital copy of the proposal, following the above guidelines. Mailed or hand-delivered proposals must be clearly labeled and submitted to:

**Roseanne Viscusi, RFP 3257
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399**

Program questions should be directed to rps@nyserda.ny.gov (no phone calls). Contractual questions should be directed to Nancy Marucci, ext. 3335, nancy.marucci@nyserda.ny.gov.

No communication intended to influence this procurement is permitted except by contacting **Abbey DeRocker at (518) 862-1090, ext. 3449 or abbey.derocker@nyserda.ny.gov (Designated Contact)**. Contacting anyone other than the Designated Contact (either directly by the proposer or indirectly through a lobbyist or other person acting on the proposer's behalf) in an attempt to influence the procurement: (1) may result in a proposer being deemed a non-responsive offeror and (2) may result in the proposer not being awarded a contract.

* Incomplete proposals may be subject to disqualification. It is the proposer's responsibility to ensure that all pages have been included in the proposal. Late packages will be returned and those lacking the appropriate completed and signed Attachment A – Provisional Certification and Application Form may be returned. **Faxed or e-mailed packages will not be accepted.** Packages will not be accepted at any NYSERDA location other than the address above. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at <http://www.nyserda.ny.gov/All-Programs/Programs/Main-Tier/Main-Tier-Solicitations>. Please check the website periodically as well as immediately before submitting an application package.

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I. WHAT'S NEW & IMPORTANT NOTES

A February 26, 2015 Public Service Commission Order⁶ directed New York State Energy Research and Development Authority (NYSERDA) to conduct an additional Renewable Portfolio Standard (RPS) Main Tier Solicitation in 2016. Funding for this solicitation was requested in NYSEDA's Clean Energy Fund (CEF) Information Supplement submitted to the Public Service Commission on June 25, 2015; funding authorization was confirmed in the Public Service Commission's January 21, 2016 Order⁷ in the CEF proceeding.

In December 2015, Congress passed the Consolidated Appropriations Act of 2016 (H.R. 2029, Sec. 301) which provides renewable energy tax benefit certainty for several years. Consequently, Request for Proposals (RFP) 3257 will eliminate an "Opt Out" feature utilized in the two previous RFPs to address uncertainty around the renewable electricity production tax credit (PTC) and investment tax credit (ITC).

Awarded projects will be required to register the Bid Facility through the soon-to-be launched New York Generation Attribute Tracking System (NYGATS), and to transfer the Certificates associated with the RPS Attributes to an account designated by NYSEDA. See also Section XVIII. Verification of Rights to RPS Attributes. See <http://www.nyserda.ny.gov/nygats> for more information.

For Fuel-based Bid Facilities that will utilize natural gas, bidders must demonstrate fuel availability sufficient to operate the facility. See Section VIII, paragraph C, Provisional Certification and Section X, paragraph A, Submitting an Application Package for more information.

Please note that all Provisional Certification and Application documents may now be submitted electronically; please refer to Attachment B, Instructions for Provisional Certification and Application Electronic Submission for more information.

II. BACKGROUND: THE NEW YORK STATE RENEWABLE PORTFOLIO STANDARD and CLEAN ENERGY STANDARD

The Commission adopted the RPS program to address the energy, economic, and environmental objectives of New York State by increasing the amount of renewable electrical energy consumed in New York. See Case 03-E-0188, Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard, and the various orders issued under that proceeding (Orders).

The Orders designate NYSEDA as the Central Procurement Administrator of the RPS Program. Under this RFP, NYSEDA seeks to accomplish the RPS objectives by contracting with suppliers, on a competitive basis, for the environmental attributes created by eligible generation resources under the RPS (RPS Attributes).

⁶ Case 14-M-0101, Proceeding to Consider Reforming the Energy Vision, Order Adopting Regulatory Policy Framework and Implementation Plan, (February 26, 2015).

⁷ Case 14-M-0101, Proceeding on Motion of the Commission to Consider a Clean Energy Fund, Order Authorizing the Clean Energy Fund Framework, (January 21, 2016).

On July 6, 2015 the State Energy Planning Board issued the 2015 New York State Energy Plan⁸ which proposes that the State achieve 50 percent of the State's electricity generated from renewable resources by 2030 (50 by 30 goal). In December 2015, Governor Cuomo directed the Department of Public Service (DPS) to develop a Clean Energy Standard⁹ (CES) to help achieve the SEP goals. This solicitation is intended to maintain programmatic momentum while the CES is deliberated and implemented, and also to ensure that additional renewable generation is available to achieve progress toward the proposed CES targets in the initial years of the program.

Information regarding current and past solicitations can be found at:

<http://www.nyserdera.ny.gov/All-Programs/Programs/Main-Tier/Main-Tier-Solicitations>

The RPS Orders can be accessed at the Commission's RPS webpage at

<http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterSeq=17612>

All Bidders are strongly advised to review the Orders before participating in this RFP.

III. OBJECTIVE OF THIS RFP

NYSERDA seeks to purchase RPS Attributes, and, once the NYGATS is fully functional, the NYGATS Certificates associated with electricity generated from eligible Bid Facilities, under the terms and conditions described herein. NYSERDA has designed this solicitation as a two-step process, consisting of (1) an application step that will prequalify bidders, and (2) a competitive Bid Proposal submission step. Only those bidders found prequalified through the Step One application process will be permitted to submit Bid Proposals or otherwise participate in Step Two.

To be eligible, a Bid Facility must have first commenced Commercial Operation on or after January 1, 2003, or must produce new, incremental RPS-eligible Attributes from new Bid Capacity above a historical baseline, as established through the Provisional Certification process. Bid Facilities must enter Commercial Operation by the Commercial Operation Milestone Date, in accordance with Section XV.

CAPITALIZED TERMS AND ABBREVIATIONS USED IN THIS RFP ARE DEFINED IN SECTION XXVII (DEFINITIONS). BIDDERS SHOULD REFER TO SECTION XXVII WHEN READING THIS DOCUMENT.

IV. INTENT TO BID

Submittal of a Notice of Intent to Bid Form (Attachment F to this RFP) is optional but encouraged, as it will enable direct communication of any changes in process or documents to prospective Bidders. Notification of such change(s) will be posted on the

⁸ 2015 New York State Energy Plan is available from <http://energyplan.ny.gov/>

⁹ Letter from Governor Andrew M. Cuomo to Audrey Zibelman, Chair, New York State Department of Public Service, December 2, 2105 (Cuomo Letter) available at https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/Renewable_Energy_Letter.pdf.

RPS Main Tier website¹⁰ and sent via email to those parties who have submitted a Notice of Intent to Bid Form.

V. BIDDERS' TELECONFERENCE & INQUIRIES

NYSERDA will hold a teleconference on **Tuesday, May 3, 2016 at 3:00 p.m. EDT** (Albany, NY time). On the teleconference, NYSERDA will review the bid process, the Application Package requirements, the Bid Proposal Requirements, the RPS Standard Form Contract, and will provide an introduction to NYGATS. Questions will be taken and, to the extent possible, responses will be provided during the conference. **Bidders who intend to participate must send an email indicating such to rps@nyserda.ny.gov, by 12:00 noon on Monday, May 2, 2016, with the subject line "Teleconference for RFP 3257"**. Respondents will be provided with a teleconference dial-in number and pass code. Those parties who submit an Intent to Bid form (Attachment F to this RFP) will automatically be provided with the teleconference number and pass code. All Bidders are strongly encouraged to participate in the teleconference.

Bidders may also submit written questions pertaining to the bid process, the Application Package requirements, the Bid Proposal Requirements, and the RPS Standard Form Contract. Questions must be directed to rps@nyserda.ny.gov, with the subject line "**RPS Question**". Bidders are encouraged to submit questions prior to the Bidders' Teleconference. Questions can be submitted at any time, but must be received before **5 p.m. on Friday, May 6, 2016**.

NYSERDA will post all questions anonymously, along with NYSERDA's responses, at <http://www.nyserda.ny.gov/All-Programs/Programs/Main-Tier/Main-Tier-Solicitations>, on or about Thursday, May 12, 2016. These written responses will supersede any responses given by NYSERDA during the Bidder's Teleconference. All questions regarding the RFP documents or the process **MUST** be directed as indicated. Questions may not be submitted directly to any individual at NYSERDA, DPS Staff, or to individuals working for or on behalf of NYSERDA.

VI. SCHEDULE

The schedule for this RFP process is established to provide an expedited process for proposals, evaluations, and contract execution. The time-line for RFP 3257 is as follows (all times EDT):

RFP Release	Thursday, April 21, 2016
Notice of Intent to Bid Form (optional) due	Immediately
Bidders' Teleconference	3 pm, Tuesday, May 3, 2016
Deadline to submit Written Questions	5 pm, Friday, May 6, 2016
Responses to Questions posted on NYSERDA's website	Thursday, May 12, 2016

¹⁰ <http://www.nyserda.ny.gov/All-Programs/Programs/Main-Tier>

Deadline to submit Application Packages and Provisional Certification Applications (Step 1)	5 pm, Thursday, May 26, 2016
NYSERDA notifies Qualified Bidders	Thursday, June 16, 2016
Deadline to submit Bid Proposals (Step 2)	5 pm, Tuesday, July 12, 2016
NYSERDA notifies winning Bidders (on or about)	August 2016

Please note that the above dates are subject to change. Submittal of the Notice of Intent to Bid Form (Attachment F to this RFP) is optional but encouraged, as it will enable communication of any changes in the RFP process or documents to prospective Bidders. Notification of such change(s) will be posted on the Main Tier website¹¹ and sent via email to those parties who have submitted a Notice of Intent to Bid Form.

VII. NYSERDA’S RPS FUNDING

The contracts awarded through this RFP will be funded through a non-bypassable surcharge which is levied on the delivery portion of the electricity bills of New York retail customers. The surcharge is collected by the State’s investor-owned utilities, pursuant to various Orders issued by the Public Service Commission in fixed dollar amounts through 2036. As directed by the Orders, each of the five investor-owned utilities has entered into a contract with NYSERDA to transfer the surcharge funds to reimburse payments made under the contracts awarded through this solicitation.

NYSERDA funds are maintained by the New York State Commissioner of Taxation and Finance, NYSERDA’s fiscal agent pursuant to the Public Authorities Law (Section 1859); the RPS surcharge funds are maintained in a segregated account. The RPS revenues and expenditures are separately reported in NYSERDA’s annual financial statements, which are public and subject to an annual independent audit.

VIII. ELIGIBILITY/CERTIFICATIONS

A. Eligibility

Each Bid Facility designated in an Application Package under this RFP for the supply of RPS Attributes must qualify as an eligible resource under the “Main Tier Eligible Electric Generation Sources” rules, as set forth at Appendix B of the September 24, 2004 Order as amended by the attachment to the June 28, 2006 “Order on Customer Sited Tier Implementation,” as further defined and clarified within the body of the Orders.

Pursuant to the Commission’s “Order Approving Petition with Modifications,” issued and effective November 22, 2010, clean wood separated from construction and demolition debris at approved material reclamation facilities is eligible for use as biomass fuel, provided that all of the requirements listed within the November 22, 2010 Order (see Order pp. 16-17) are fulfilled.

¹¹ <http://www.nyserdera.ny.gov/All-Programs/Programs/Main-Tier>

Pursuant to the Commission's "Order Modifying Renewable Portfolio Standard Program Eligibility Requirements," issued and effective May 22, 2013, to be eligible for an award under RFP 3257, a Bid Facility must be located within New York State, including offshore generating facilities directly interconnected to New York State's electrical grid.

To be eligible for an award under RFP 3257, a Bid Facility must have first commenced Commercial Operation on or after January 1, 2003, or must produce new, incremental RPS-eligible Attributes from new Bid Capacity above a historical baseline, as established through the Provisional Certification process.

B. Eligibility Limitations

Previous NYSERDA Awards or Funding. Offers of RPS Attributes produced by projects or Bid Facilities that have collected funding through NYSERDA for investment in any electric or gas plant, as such terms are defined under Section 2 of the New York State Public Service Law, except for equipment or appurtenances designed to measure, assess or lessen the environmental impact of such facilities in a manner or to an extent not already required under law, regulation or an existing permit, are ineligible for participation in RFP 3257.

No Bid Facility or project may simultaneously collect both New York RPS incentive payments and production-based incentives from any other state or local source for the contracted RPS Attributes.

All Bid Facilities are subject to the Bid Facility electricity delivery requirements as set forth at Section XXI. RPS Attributes that are the subject of a current award, were the subject of an award under the 10th Main Tier Solicitation (RFP 3084), or that are included in the Bid Quantity of a current or former contract from a previous RFP are not eligible under RFP 3257. The maximum 20-year Contract Tenor will not be available to extend any past or current RPS Agreement.

C. Provisional Certification

In addition, each Bid Facility must meet all of the requirements of the Provisional Certification process. Provisional Certification affirms that a project can meet the RPS Program's eligibility criteria. Only after the project is provisionally certified may it be considered for the award of an RPS contract. Such certification will be made through the Provisional Certification process, streamlined for this RFP through the utilization of Attachment A to this RFP.

Bid Facilities must complete the Provisional Certification process, even where provisional certification was granted for a previous RFP.

The Provisional Certification process will also determine the Maximum Contract Tenor available to the Bid Facility.

In their Provisional Certification submissions to NYSERDA, Bidders must include data pertaining to facility and fuel characteristics, as appropriate to the resource, in sufficient detail to enable a full evaluation regarding eligibility.

For Fuel-based Bid Facilities that will utilize natural gas, Bidders must demonstrate fuel availability sufficient to operate the facility. Bidders must provide written confirmation from the applicable service utility that fuel is/will be available in an amount sufficient to operate at the intended capacity at a feasible withdrawal point for the Bid Facility.

In addition, for any Bid Facility that has entered Commercial Operation as of April 21, 2016, Bidders must include records and data in sufficient detail to determine the actual date of Commercial Operation and Nameplate Capacity. Collectively, this information will be utilized to determine the Bid Facility's overall eligibility and Maximum Contract Tenor under RFP 3257, as described below.

Maximum Contract Tenor:

The Contract Tenor offered for a Bid Facility will be limited by the term of the Maximum Contract Tenor. For all Bid Facilities not in Commercial Operation as of April 21, 2016, the Maximum Contract Tenor will be calculated as the lesser of:

- (1) 20 years, or
- (2) The Bid Facility's Useful Life.

For all Bid Facilities in Commercial Operation as of April 21, 2016, the Maximum Contract Tenor applicable to the project's bid will be calculated as the lesser of:

- (1) 20 years (240 months) minus the number of years (months) between the year (month) of Commercial Operation and April 2016 (rounded to the nearest full year), or
- (2) The Bid Facility's Useful Life minus the number of years (months) between the year (month) of Commercial Operation and April 2016 (rounded to the nearest full year).

The following table lists the Useful Life by resource for use in the calculations of Maximum Contract Tenor for RFP 3257. This table was developed using references from published industry sources.

Table 1. Default Values for Useful Life used to determine Maximum Contract Tenor

<u>Resource</u>	<u>Useful Life (years)</u>
Anaerobic Digestion	20
Biomass/Liquid Biofuel	20
Fuel Cell ¹²	20
Hydroelectric (New or Upgrade)	50
Landfill Gas to Electricity	15
Solar PV	20
Tidal/Ocean	10
Wind	20

Bidders may submit Step 2 bids for any Contract Tenor from a minimum of one year and a maximum of the Maximum Contract Tenor identified through Provisional Certification.

D. Operational Certification

Operational Certification verifies that the Bid Facility has been constructed and/or will operate in accordance with the Bid Proposal as submitted, for which Provisional Certification was granted. Operational Certification must be applied for in writing to NYSERDA and must be granted by the DPS before payments under the RPS Standard Form Contract will be made by NYSERDA. Seller must promptly notify NYSERDA's Project Manager of the date upon which the Bid Facility enters Commercial Operation (See Section XIII).

In applying for Operational Certification, Seller must submit information and documentation necessary for NYSERDA to verify that the Bid Facility is operating as proposed and in the manner for which Provisional Certification was granted, including the generating capacity of the Bid Facility, the date under which it entered Commercial Operation as proposed, and any deviations from the as-proposed configuration and/or operations. Deviations in the capacity of the Bid Facility, configuration, and/or operations may result in contractual adjustments referenced in Section XIX.

Verification by NYSERDA that the Bid Facility has entered Commercial Operation and is eligible for Operational Certification may be based in part on documentation, audits, site visits, and attestations. For Fuel-Based Bid Facilities, the Seller will be required to provide additional information as outlined in Exhibit E to the Fuel Based Bid Facility Standard Form Contract (Attachment H to this RFP).

Once Operationally Certified, NYSERDA will make payments for RPS Attributes properly transferred to NYSERDA under Articles II and IV of the RPS Standard Form

¹² Bidders of Fuel Cell Bid Facilities offering a Contract Tenor in excess of 10 years on the Bid Proposal form will be required to provide, prior to NYSERDA's execution of an Agreement, an executed Bid Facility operations and maintenance agreement with the Bid Facility's host customer for a term which is greater than or equal to the proposed Contract Tenor.

Contract and associated with energy generated by the Bid Facility beginning with the commencement of the Contract Delivery Term, based on monthly invoicing, in accordance with the terms of the RPS Standard Form Contract.

More information on the Operational Certification process is available on NYSERDA's website.¹³

E. Subsequent Changes

Bid Proposals and/or Bid Facilities selected for award under this RFP will not be subject to subsequent changes in RPS eligibility rules; however, in the event that the Bid Facility fails to maintain eligibility consistent with the RPS requirements as they existed on April 21, 2016, such ineligibility will extend to the RPS Attributes associated with the Bid Facility's production throughout the entire period in which the Bid Facility fails to maintain eligibility.

IX. PARTICIPATING IN THIS RFP

NYSERDA has designed this procurement as a two-step process, consisting of: (1) an application step that will prequalify bidders, and (2) a competitive Bid Proposal submission step. **Only those bidders found prequalified through the Step One application process will be permitted to submit Bid Proposals or otherwise participate in Step Two.**

X. STEP ONE – APPLICATION PACKAGES

A. Submitting an Application Package

To be considered for qualification to participate in Step Two (Bid Proposal), Bidders must provide NYSERDA with a complete Application Package. Each Application Package must designate a single Bid Facility from which RPS Attributes (and Certificates associated with RPS Attributes) may be used for performance under a Standard Form Contract. NYSERDA will review each Application Package and make determinations in conjunction with the DPS Staff, as to qualification for participation in Step Two. It is anticipated that all bidders will be notified of such determinations no later than Thursday, June 16, 2016.

A complete Application Package consists of:

1. Provisional Certification and Application Form (Attachment A hereto) that includes a Disclosure of Prior Findings of Non-Responsibility. The Provisional Certification Process is described in Section VIII. **Application Packages lacking a completed and signed Provisional Certification and Application Form may be rejected.**
2. If Applicable, for Fuel-based Bid Facilities that will utilize natural gas, bidders must demonstrate fuel availability sufficient to operate the facility. Bidders must

¹³ <http://www.nyserda.ny.gov/All-Programs/Programs/Main-Tier/Operational-Certification>

provide written confirmation from the applicable service utility that fuel is/will be available in an amount sufficient to operate at the capacity specified in Attachment A at a feasible withdrawal point for the Bid Facility (see Section VIII, C).

3. If Applicable, an Engineering report or Eligible Baseline Calculation form (see Attachment A, Exhibit A, pages A-11 through A-15)
4. Proof of Bid Deposit, as specified below.

Bid Deposit. Each Application Package must be accompanied by a Bid Deposit, in the form of electronic wire deposit (preferred) or certified funds, in an amount determined by the Nameplate Capacity of the Bid Facility. If the Bid Deposit is provided via electronic wire deposit, confirmation of this deposit must be provided with the Step 1 Provisional Certification and Application Form. If the Bid Deposit is provided via a cashier's check, the Bid Deposit must be clearly labeled with RFP 3257, Bid Facility, and Bidder, and sent to:

Roseanne Viscusi, RFP 3257
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

Electronic wire deposit instructions can be obtained by emailing rps@nyserda.ny.gov with the subject line **“Bid Deposit Instructions for RFP 3257.”**

The amounts are as follows:

Nameplate Capacity:	Bid Deposit Required:
Less than 5.00 MW	\$5,000
5.00 – 19.99 MW:	\$20,000
20.00 – 49.99 MW:	\$50,000
50.00 MW or more:	\$100,000

Bid Deposits will be refunded to Applicants who elect not to submit a Bid Proposal under Step 2, or are deemed ineligible by NYSERDA to participate in Step 2, on or before July 29, 2016. Bid Deposits will be refunded to Bidders whose Bid Proposals have not been selected for an award, if not before, immediately upon the expiration of the time during which the Bid Proposal remains an open offer (60 days from submittal; See Section XI).

Bid Deposits will be refunded to Bidders whose Bid Proposals have been selected by NYSERDA upon execution of the RPS Standard Form Contract (Attachment G or H to this RFP) and NYSERDA's receipt of the Contract Security as described in Section XVI; A (Contract Security) as required under the RPS Standard Form Contract (Attachment G or H to this RFP). No interest will be paid on any Bid Deposit.

Deadline for Submitting an Application Package: The complete Application Package must be **received** by NYSERDA no later than **5 p.m. EDT on Thursday, May 26, 2016. Electronic submission is preferable.** All information must be provided; all

information provided must be legible. **NYSERDA recommends that you reserve ample time to address Provisional Certification and Application requirements for each Bid Facility. The Provisional Certification and Application Form (Attachment A), must be completed and submitted on-line, before the deadline.** All electronic signatures must be provided as indicated. Failure to provide any information requested may result in the Application Package being declared non-responsive and rejected. Additional information and materials beyond those requested may be submitted only if necessary for clarification. Additional information and materials beyond what is identified in this RFP may be requested by NYSERDA. Application Packages become the property of NYSERDA.

B. Application Package Evaluation

NYSERDA will evaluate Application Packages for completeness and against the qualification criteria specified in Sections VIII and X; A (Submitting an Application Package). NYSERDA intends to contact bidders on or before Thursday, June 16, 2016 with determinations as to the qualification of Bid Facilities identified in Application Packages. Bidders deemed qualified to submit a Bid Proposal as a result of this review will be assigned a "Bidder Number" and invited to submit a Bid Proposal according to instructions as described below and provided in further detail in NYSERDA's qualification letter.

XI. STEP TWO – BID PROPOSALS

At the time that Bidders are notified of their qualification status, qualified Bidders will be provided with Bid Proposal Forms (Attachment D), Bid Price Forms (Attachment E), and relevant instructions, and will be invited to submit an electronic Step 2 Bid Proposal. Bidders may submit bids for any Contract Tenor of a minimum of one year and a maximum of the Maximum Contract Tenor identified through Provisional Certification. The Contract Tenor applicable to the bid must be specified on the Bid Proposal Form. Each Bid Proposal must designate a single Bid Facility. The Bid Quantity Percentage entered on the Bid Proposal form must be at least 30% and may not exceed 95%.

The submittal of a Bid Proposal will constitute a binding offer to contract under the RPS Standard Form Contract terms (attached hereto as Attachments G and H) and such offer must remain open for a period of at least sixty (60) days from the deadline for submittal or such time as designated by NYSERDA at the time of notification of qualification for Step Two. All Bid Proposals become the property of NYSERDA.

NYSERDA RETAINS THE RIGHT TO ACCEPT ANY OR ALL BIDS, TO REJECT ANY OR ALL BIDS, TO SOLICIT RE-BIDS, AND TO MAKE COUNTEROFFERS TO SUCH BID(S) AS IT DEEMS APPROPRIATE.

A. Submitting a Bid Proposal

Bid Proposal packages must contain the following forms and information, without exception, and must be organized as indicated below. Bid Proposals lacking sufficient detail may be deemed non-responsive and ineligible for further evaluation or award.

Section 1: Cover Letter

Section 2: General Description of the Bidder and Bid Facility, including a fully completed Project Schedule Form (Attachment C to this RFP).

Section 3: Incremental Economic Benefits to New York State Created by the Bid Facility

- a) Long Term Jobs created in New York State
- b) Payments/Benefits to New York State and/or its Municipalities
- c) Royalties and/or Payments for Fuel and Resource Access
- d) In-State Purchases or Consumption of Goods
- e) Short Term Employment of New York State Workers

Section 4: Incremental Economic Benefits Justification

Section 5: Verification Plan

Section 6: Completed Bid Proposal Form (see Sample Form, Attachment D to this RFP)

Section 7: Completed Bid Price Form (see Sample Form, Attachment E to this RFP)

Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not influence the evaluation of the proposal. Each page of the proposal should state the name of the proposer, the bidder number, the RFP number, and the page number.

Bid Proposals should be concise and clearly organized in the format listed above. Bid Proposals should be no longer than 20 pages in length, not including the Bid Proposal Form and Bid Price Form. The font size should not be smaller than 11 point.

If submitting electronically, proposers must submit the proposal in either PDF or MS Word format. **Electronic submissions are strongly encouraged.** If mailing or hand-delivering, Bidders must submit two (2) paper copies of the Bid Proposal together with a CD containing electronic copies of the Bid Proposal and all attachments in PDF form. Bidders must submit one Bid Price Form in pdf format.

Bid Proposals must be received by NYSERDA by **5:00 pm EDT (Albany, NY Time) on Tuesday, July 12, 2016**; this date will be confirmed at the time Bidders are notified that they have qualified for participation in Step Two (expected Thursday, June 16, 2016).

Bidders will not be reimbursed by NYSERDA for any costs associated with the preparation of their proposals. Bid Proposals become the property of NYSERDA. Mailed or hand-delivered proposals must be clearly labeled and submitted to:

**Roseanne Viscusi, RFP 3257
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399**

Section 1: Cover Letter (1 page) The cover letter must include all signatures necessary to approve and submit the Bidder's Proposal by a representative having the authority to contractually commit the Bidder for Bidder's offer provided in the Bid Proposal. The cover letter must also include the following declaration:

[Insert legal name of Bidder] (the "Bidder") hereby acknowledges receipt of the NYSERDA's 2016 Request for Proposals 3257 (the "RFP") and acknowledges that it has read and agrees to be fully bound by, all of the terms, conditions and other provisions set forth in RFP 3257 and the RPS Standard Form Contract (Attachments G or H to RFP 3257). Additionally, the Bidder hereby makes the following representations to NYSERDA:

- 1. all of the statements and representations made in this proposal are true to the best of the Bidder's knowledge and belief;*
- 2. the Bidder has sufficient rights in title to the RPS Attributes emanating from the Bid Facility identified in the Bid Proposal to perform under the RPS Standard Form Contract;*
- 3. the Bidder has obtained all necessary corporate authorizations, approvals and waivers that will enable the Bidder to commit to the terms provided in this proposal;*
- 4. In accordance with Section 2878 of the New York State Public Authorities Law, Bidder warrants, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition; and*
- 5. The proposal constitutes a firm and binding offer, for a period of at least 60 days from the date Bid Proposals are due.*

Section 2: General Description of the Bidder and Bid Facility (up to 3 Pages) Each Bidder must **fully** address the following: Provide a profile of the Bidder's company and its parent company, if any. Describe the relationship between the Bidder and the investors, sponsors and owner(s) of the Bid Facility. Identify and explain any State or Federal grants or tax incentives that have been applied for or are expected to be applied for and fully describe the status of such applications. Provide the Bid Facility's location (address, county and town) including a State and/or county map with the Bid Facility's geographic location marked. Provide a description of the Bid Facility including resource type, expected fuel supply type, Nameplate Capacity, projected capacity factor, the status of major permits/approvals necessary to build and operate the Bid Facility, and the major equipment manufacturers/providers. Describe how it is expected that the electrical output of the Bid Facility will be delivered, sold and consumed; including identification of any power purchase or other sales agreement (see Sections VIII and XXI). Also, provide a fully completed Project Schedule Form (Attachment C to this RFP).

Bidders who intend to satisfy the Bid Facility electricity delivery requirement through option A.2 of Section XXI must include documentation demonstrating that arrangements have been made with the local utility or interconnection authority for measurement, verification and tracking of the electricity associated with the Quantity Obligation.

Bidders must further identify any party to which it has executed an agreement for sale of power from the Bid Facility, or the status of negotiation with third parties for offtake of any electricity produced by the Bid Facility.

Section 3: Economic Benefits Created by the Bid Facility (up to 12 Pages) For evaluation and scoring purposes, Bidders may claim the Incremental Economic Benefits (described below) expected to accrue to New York as a result of the development, construction/ modification, and operation of the Bid Facility.

Only those Incremental Economic Benefits falling within the categories defined below will be considered, and in no instance will NYSERDA or its Technical Evaluation Panel (“TEP”) consider any indirect benefits or those created by any “multiplier effect” or other attribution method under which the creation of peripheral spending and jobs might be credited to direct capital infused into the economy. **Bidders are not permitted to apply escalation rates or cost of living adjustments.** Bidders not seeking credit for economic benefits in any category may leave the section blank. Any responses left blank will receive zero points for the applicable category.

Economic benefits previously claimed with respect to a Bid Facility that is subject to a pending award under a previous solicitation or that is the subject of a current RPS contract are not eligible for evaluation. Incremental Economic Benefits are those that a Bidder can demonstrate: (1) will accrue subsequent to an award under RFP 3257, and (2) would not have accrued but for the award of a contract under RFP 3257.

The following categories are listed in order of importance from the highest-weighted category to the lowest-weighted category.

- a. **Long-Term NYS Jobs:** Describe the degree to which the operation of the Bid Facility will directly create (add) long term jobs (jobs lasting more than 3 years) in New York. Examples of such jobs include, but are not limited to, those associated with operations and maintenance, plant management, or similar. List and describe the type of jobs including the position title, specific role and responsibilities, and the expected duration of such jobs. Provide the number of jobs, in Full Time Equivalent (FTEs), and the expected average annual salary/and or total compensation and direct benefits (excluding overhead for normal operations) for all jobs. Provide expected total dollars for compensation/salaries and benefits **during the first three (3) Contract Years of operation** (Expected Total Dollars). Divide the Expected Total Dollars by the Bid Capacity, and provide the result.
- b. **Payments/Benefits to New York State and/or its Municipalities:** Describe the degree to which the operation of the Bid Facility will provide new or increased local property tax revenues to school districts, cities, towns or other taxing jurisdictions in New York, or alternatively, Payments in Lieu of Taxes (PILOT) or other alternative taxing mechanisms and forms of compensation. List and describe separately all tax payment, PILOT arrangements and/or “host” community payment agreements with all affected jurisdictions. Provide expected total dollars paid to all taxing jurisdictions and municipal entities through the first

three (3) Contract Years of operation (Expected Total Dollars). Divide the Expected Total Dollars by the Bid Capacity, and provide the result. NYSERDA reserves the right to reduce, for evaluation and contracting purposes, the amount of dollars reported by the amount of any benefits under any NYS Empire State Development sponsored business program or other NYS-funded program. New York State sales taxes paid by Seller are not eligible and will be excluded from the Payments/Benefits component.

- c. Payments for Renewable Fuels and Resource Access:** Describe the degree to which the operation of the Bid Facility will provide royalties, production-based payments, land lease or land use payments or other forms of compensation, associated with securing rights to or directly acquiring fuel or access to wind resources for the Bid Facility (e.g., wind, biomass, biogas). Examples include payments for leases of land in New York, payments associated with the production of electricity, fuel purchases of biomass sourced or harvested in New York, and purchases for landfill gas produced in New York. Payments for non-renewable fuels such as natural gas are not eligible for consideration in this category or any Economic Benefits category. Provide total dollars expected to be paid through the first three (3) Contract Years of operation (Expected Total Dollars). Divide the Expected Total Dollars by the Bid Capacity, and provide the result.
- d. In-State Purchases or Consumption of Goods:** Describe the degree to which local and state economic activity will increase as a result of:
- i. the purchase and consumption of local goods and services (other than those in Section e. Short-Term Employment, below) by non-NY-resident workers, such as, but not limited to, food, lodging, vehicles, equipment, fuel, and/or
 - ii. the purchase of materials sourced from within New York such as, but not limited to, gravel, steel, concrete and similar materials and/or the purchase and use of equipment and products manufactured or assembled within New York and/or the use of rental equipment or similar supplies sourced from within New York. Wind turbine components not manufactured within New York State will not be considered and should not be included, and/or
 - iii. Ongoing operations and maintenance expenses which are anticipated through the first three (3) years of Commercial Operation.

List each type of purchase or service that will be used and provide total dollars expected to be spent on all the purchases or consumption of local/in-state goods from this category through the first three (3) Contract Years of operation (Expected Total Dollars). Divide the Expected Total Dollars by the Bid Capacity, and provide the result.

- e. Short-Term Employment:** Describe the degree to which New York workers will be employed on a short-term basis. Illustrative examples include direct employment of NYS construction, rail and port workers, contractors and laborers,

engineering or environmental service providers, consultants, financial service advisors, and legal service providers associated with the development and construction/modification of the Bid Facility. List and describe the type of jobs and the expected duration of such jobs. Provide the number of jobs, in Full Time Equivalent (FTEs), and the expected average annual salary and benefits for all jobs. Provide expected total dollars for salaries and benefits through the first three (3) Contract Years of operation (Expected Total Dollars). Divide the Expected Total Dollars by the Bid Capacity, and provide the result.

- f. Divide the Expected Total Dollars from all categories listed above (a through e) by the Bid Capacity, and provide the result.

Section 4: Incremental Economic Benefits Justification (up to 3 pages) Bidders must provide a detailed justification specifying how the claimed Incremental Economic Benefits (see 3a-3e above) are eligible for evaluation. Specifically, Bidders should include a description of all claims with relevant information or documentation which demonstrates the eligible nature of these claims within the requirements listed in Section 3 above.

Section 5: Verification Plan (up to 3 pages) Bidders must provide a detailed verification plan specifying how the economic benefits claimed for evaluation (see 3a-3e above) will be documented for contract compliance (see Section XX). Specifically, Bidders should include a description of all documents, reports, contracts, subcontracts, invoices, or other information/documentation that may be submitted to verify the expenditures and/or payments associated with the economic benefits claimed hereunder. In doing so, Bidders should identify the entity issuing such documentation (subcontractor, taxing jurisdiction, equipment service company, etc.) and explain how the Bidder intends to attain such documentation for ultimate submission to NYSERDA for compliance under Section XX of this RFP.

Section 6 and 7: Bid Proposal Form; Bid Price Form At the time Bidders are notified of qualification to submit a Bid Proposal (Section XI), NYSERDA will provide Qualified Bidders with a Bid Proposal Form and a Bid Price Form, in the formats provided in the Sample Bid Proposal and Bid Price Forms, Attachments D and E to this RFP, but tailored for the specific Bid Facility and its qualification status. Bidders will be responsible for submitting one (1) fully completed and electronically signed Bid Proposal Form with each Bid Proposal and one (1) fully completed and signed Bid Price Form.

THE BID PRICE FORM MUST BE ELECTRONICALLY SUBMITTED IN A SEPARATE FILE MARKED “RFP 3257 BID PRICE FORM_ BIDDER NUMBER_ BID FACILITY NAME”.

XII. BID PROPOSAL EVALUATION

NYSERDA will employ a scoring system comprised of two evaluation components totaling 100 points:

1. Expected Economic Benefits to New York: 30 points

2. Bid Price evaluation: 70 points

A. Expected Economic Benefits Evaluation

Bid Proposals will be scored on the ability of the Bid Facility to contribute positively to the economy of New York State in the categories listed in Section XI; A (Submitting a Bid Proposal).

A Technical Evaluation Panel (TEP), consisting of NYSERDA staff, DPS Staff, and outside reviewers, will evaluate and award points (up to 30) to Bid Proposals based on the degree to which each Bid Proposal demonstrates a contribution to the economic benefits categories listed in Section XI; A (Submitting a Bid Proposal).

Only those economic benefits meeting the eligibility criteria defined in Section XI; 3 (Economic Benefits Created by the Bid Facility) and falling within the defined categories in Section XI; A (Submitting a Bid Proposal) will be considered for evaluation. NYSERDA reserves the right to reduce, for evaluation and contracting purposes, the amount of dollars reported in Section 3(b) of the Bid Proposal (“Payments to New York State and/or its Municipalities”) by the amount of any benefits under any Empire State Development program, including any NYS Empire State Development-sponsored business program or other NYS-funded program.

Please review Section XX: Post-Award Demonstration of Actual Economic Benefits for further details regarding contractual compliance provisions.

Scoring on the basis of expected economic benefits will be conducted independently (without knowledge of bid prices) of Bid Price evaluation.

B. Bid Price Evaluation Metric

For evaluation purposes only, Bid Prices will be converted according to the following calculation to allow for an equitable comparison between bids of varying Contract Tenor:

$$\text{Bid Price Evaluation Metric} = \frac{\text{NPV of Expected Contract Payments}}{\text{Bid Quantity} \times \text{Contract Tenor}}$$

Where:

$$\text{NPV of Expected Contract Payments} = \sum_{2016}^{2039} \frac{(\text{Bid Price} \times \text{Calendar Year Bid Quantity})_t}{(1 + i)^{t-2016}}$$

t = Calendar Years 2016 - 2039
i = 6.87%¹⁴

¹⁴ The discount rate for Bid Price evaluation (DISCo Discount Rate or DDR) was established by the New York State Department of Public Service Office of Accounting, Audits and Finance.

- Bid Facilities not operating as of April 21, 2016 will be evaluated as if the Contract Delivery Term commences on May 1, 2018.
- Bid Facilities operating as of April 21, 2016 will be evaluated as if the Contract Delivery Term commences on September 1, 2016.

NYSERDA will employ a maximum acceptable Bid Price Evaluation Metric; NYSERDA will not award a contract for a Bid Facility where the Bid Price Evaluation Metric is above the maximum acceptable Bid Price Evaluation Metric.

Bids will be sorted in ascending order according to the Bid Price Evaluation Metric. The lowest bid according to the Bid Price Evaluation Metric will receive the maximum points available for the Bid Price component (70 points). Bids which yield a Bid Price Evaluation Metric above the maximum acceptable Bid Price Evaluation Metric will be ineligible for award. Points awarded to all other bids will be awarded in proportion to where the Bid Price Evaluation Metric falls within the range from lowest Bid Price Evaluation Metric to the highest eligible Bid Price Evaluation Metric.

C. Selection

A final ranking of Bid Proposals will be developed based on the sum of points awarded for the Bid Price Evaluation Metric and points awarded on the basis of the Expected Economic Benefits Evaluation. Selection will be based on this final ranking, subject to NYSERDA's procurement target and available funds except that: **NYSERDA will not award a contract to any Bidder offering a bid which yields a Bid Price Evaluation Metric above the maximum acceptable Bid Price Evaluation Metric.**

NYSERDA reserves the right to reject or accept any or all bids. NYSERDA also reserves the right to solicit revised Bid Prices and/or to make counteroffers as it deems appropriate. Notification of a re-bid, counteroffer or selection will be made by voice communication and electronic mail to the Bidder's Designated Agent(s), as identified on Attachment E to this RFP, Bid Price Form. Bidder's Designated Agent(s) must be authorized to respond and to commit to counteroffers on behalf of Bidder.

Upon notification of an award, NYSERDA will prepare a conformed copy of the RPS Standard Form Contract which will be delivered to Bidder, in a manner to be agreed upon, for Bidder's execution and return.

NYSERDA may withdraw and rescind awards to Bidders who fail to provide Contract Security as required by Section XVI or who fail to execute the RPS Standard Form Contract within a reasonable amount of time.

XIII. CONTRACT DURATION, COMMERCIAL OPERATION, COMMENCEMENT DATE

Contract Duration

Contract awards may be for a Maximum Contract Tenor of up to twenty (20) Contract Years. The Maximum Contract Tenor available to a Bid Facility will be determined through Provisional Certification (see Section VIII). The Contract Tenor utilized in the Standard Form Contract for an awarded Bid Facility will be the Contract Tenor entered on the Bid Proposal Form for the Bid Facility, which may not exceed the Maximum Contract Tenor.

Commercial Operation

Sellers must promptly notify NYSERDA's Project Manager of the date upon which the Bid Facility enters Commercial Operation, and the generating capacity in Commercial Operation as of that date. Commercial Operation is defined as a state of operational readiness under which (i) generating capacity is available and physically producing electric energy and associated RPS Attributes, and (ii) all rights, abilities, permits and approvals to schedule and deliver energy to the Injection Point have been obtained.

Commencement Date

For Bid Facilities that are not in Commercial Operation as of the Effective Date of the Standard Form Contract, the Contract Delivery Term will commence on the first day of the month after the Bid Facility commences Commercial Operation, which shall be no later than the Commercial Operation Milestone Date (April 30, 2018, unless extended; See Sections XV and XVI, below).

For Bid Facilities in Commercial Operation as of the date of selection for award, unless otherwise agreed to in writing by NYSERDA, the Contract Delivery Term shall commence on the first day of the month after the Effective Date of the RPS Standard Form Contract.

XIV. UNILATERAL TERMINATION

Contracts for Fuel-Based Bid Facilities (See Attachment H to this RFP) include a unilateral termination clause maturing upon each 30-month anniversary of the commencement date of the Contract Delivery Term; exercisable by Seller should Seller be unable to secure a continuous bio-fuel supply at a price that supports the contract. Notice of Seller's intention to terminate must be received by NYSERDA at least 30 days prior to each such 30-month anniversary date.

XV. COMMERCIAL OPERATION MILESTONE DATE

Bid Facilities must enter Commercial Operation on or before the Commercial Operation Milestone Date. The initial Commercial Operation Milestone Date for all Bid Facilities will be April 30, 2018. Sellers may elect to extend the Commercial Operation Milestone Date in accordance with the provisions of Section XVI.

XVI. CONTRACT SECURITY

All Contract Security amounts, as described below, must be provided in the form of (a) cash, (b) certified funds, or (c) an irrevocable stand-by letter of credit, payable to NYSERDA, and drawn on an institution acceptable to NYSERDA, in substantially the form provided at Exhibit C to the RPS Standard Form Contract. Note: under the Standard Form Contract, once conformed to the Bid, references to Bidder become references to Seller.

- A.** Bidders must provide to NYSERDA, **within 10 business days of notification of selection**, unless otherwise agreed to by NYSERDA, Contract Security in an amount equal to \$9.00 per MWh times the Bid Quantity. Unless otherwise agreed by NYSERDA in writing, if Bidder does not provide the required Contract Security within 10 business days of notification of selection, its award may be rescinded, and Bidder will forfeit the Bid Deposit, which will be retained by NYSERDA.
- B.** On or before Tuesday, May 2, 2017, Seller must provide additional Contract Security in an amount equal to \$6.00 per MWh multiplied by the Bid Quantity. **Failure to provide the additional Contract Security by May 2, 2017 will constitute a default and may result in termination of the Standard Form Contract.**
- C.** On or before February 28, 2018, Sellers may elect to extend the Commercial Operation Milestone Date from April 30, 2018 to July 31, 2019; by providing to NYSERDA one of the following:
 - (1) Contract Security, in addition to the amounts provided under “A” and “B,” above, in the amount of \$6.00 per MWh multiplied by the Bid Quantity;
 - (2) for Bid Facilities from which the electricity associated with the Quantity Obligation will be delivered into a market administered by the NYISO, proof that an interconnection agreement has been entered into by the NYISO, the Connecting Transmission Owner, and the Bidder or a legal representative of the Bidder, with respect to the Bid Facility;
 - (3) for Bid Facilities seeking to satisfy the electricity delivery requirement through options 2 or 3 of Section XXI; A, a comparable interconnection agreement has been entered into with all the necessary sites, service providers and parties that will be enable and permit the transmission of the energy from the Bid Facility to the point of its consumption.

D. Refund/Retention of Contract Security

As provided by Article XV of the RPS Standard Form Contract (Attachment G and H to this RFP), amounts provided by the Bidder as Contract Security will be refunded to the Bidder by NYSERDA:

- a. In its entirety if the Installed Bid Capacity is equal to or greater than the Bid Capacity.
- b. At a prorated amount if the Installed Bid Capacity is less than the Bid Capacity. Such amount that will be refunded, expressed as a percentage of the total Contract Security, will be equal to Installed Bid Capacity divided by the Bid Capacity.

As provided by Article XV of the RPS Standard Form Contract (Attachment G or H to this RFP), amounts provided by Bidder as Contract Security will be retained by NYSERDA:

- a. In their entirety if Seller fails to provide to NYSERDA, on or before May 2, 2017, Contract Security in the amount required under Section XVI; B, above.
- b. At a prorated amount if the Installed Bid Capacity is less than the Bid Capacity. Such amount that will be retained, expressed as a percentage of the total Contract Security, will be equal to the Bid Capacity minus the Installed Bid Capacity; divided by the Bid Capacity.

XVII. NYSERDA'S ACQUISITION OF RIGHTS/TITLE TO RPS ATTRIBUTES

Under the RPS Standard Form Contract, Bidder (as Seller) will deliver and NYSERDA will acquire title and exclusive rights to all RPS Attributes for the Contract Delivery Term, as defined herein, and, once NYGATS is fully functional, the Certificates associated with the RPS Attributes, along with the exclusive rights to claim, consistent with New York State Environmental Disclosure rules: (i) that the energy associated with RPS Attributes was generated by the Bid Facility during the Contract Delivery Term; (ii) that all RPS Attributes produced by the Bid Facility are conveyed to NYSERDA; and (iii) that New York State and/or the RPS Program is responsible for the environmental benefits including reductions in emissions and/or other pollution resulting from the generation of the Bid Facility's energy and its delivery into, and use within, the NYCA. NYSERDA will NOT acquire energy, capacity or ancillary services from any Bid Facility.

Pending the full availability of NYGATS (for Bid Facilities in Commercial Operation prior to NYGATS availability), each invoice submitted and requesting payment for the delivery of the Certificates associated with RPS Attributes must be accompanied by a Certification and Assignment of Rights Form, in the form provided at Exhibit B to the RPS Standard Form Contract, which will identify the number and vintage of all Certificates associated with RPS Attributes for which payment is requested, bear a certification as to the eligibility of such Certificates associated with RPS Attributes, and transfer and assign all title and rights to such Certificates associated with RPS Attributes to NYSERDA.

In the event that Bidder (as Seller) must apply for or take some other action under any emission-trading or other regime other than the NY RPS in order to secure a claim, title, ownership, or rights of any type, nature or sort (Title) to any RPS-eligible Attributes associated with Quantity Obligations, or any certification, registration, verification or other memorialization of the creation of such RPS-eligible Attributes by the Bid Facility to which Bidder (as Seller) may be otherwise entitled, Bidder (as Seller) shall (i) notify

NYSERDA of such opportunity, and, if requested to do so by NYSERDA shall (ii) take all actions necessary to apply for and secure such Title, to the maximum extent to which Bidder (as Seller) is entitled, (iii) provide NYSERDA with evidence of taking such action; and (iv) convey such Title to NYSERDA whenever so secured.

Awarded projects will be required to register the Bid Facility through NYGATS and to transfer the contracted Certificates to an account designated by NYSERDA, in accordance with Article II of the RPS Standard Form Contract. These will include any Certificates created by NYGATS corresponding to energy generated by the Bid Facility and RPS Attributes or Certificates associated with RPS Attributes transferred to NYSERDA by a Certification and Assignment of Rights Form prior to the availability of NYGATS.

Except as may be permitted under Section XXII, Suspension of Delivery, Sellers may not apply for or otherwise seek to achieve compliance under Section 242-8.7 (CO₂ budget units that co-fire eligible biomass) of the CO₂ Budget Trading Program (6 NYCRR Part 242), or any other state program operating as a part of the Regional Greenhouse Gas Initiative, on the basis of any MWh or emission of CO₂ or reduction in emissions of CO₂ or other benefit associated with RPS Attributes or for any activity constituting performance under an RPS Standard Form Contract. NYSERDA will consider a modification of this prohibition if the treatment of the Bid Facility under CO₂ Budget Trading Program is revised or modified in a manner that will result in the actual or functional retirement of CO₂ allowances in an equivalent quantity, and in a manner otherwise acceptable to NYSERDA and the objectives of the RPS and CO₂ Budget Trading Programs.

XVIII. VERIFICATION OF RIGHTS TO RPS ATTRIBUTES

Throughout the Contract Delivery Term, NYSERDA will require certification and verification of the delivery of the RPS Attributes, as follows:

1. In order to enable NYSERDA and the administrator of the NYS Environmental Disclosure Program DPS to verify the performance of the Bid Facility, NYSERDA will require the Seller to provide independent access to detailed monthly market accounting settlement or other pertinent data from either:
 - a) the administrator(s) of the wholesale energy market into which energy from the Bid Facility was produced and/or delivered,
 - b) the operator of the transmission/distribution utility/public authority or municipal electric company into which energy from the Bid Facility was produced and/or delivered, or
 - c) an independent, third party that measures energy generation and usage by a Customer-Sited Bid Facility through a Dedicated Generation Meter.

Seller will be required to waive confidentiality as applicable to the NYGATS Administrator, for the direct transfer to NYGATS by such entities of transactional and/or delivery information and data pertinent to the verification of RPS Attribute and associated electricity delivery.

2. Upon the launch of NYGATS, transfer will be accomplished by, and NYSERDA's payment obligations will be conditional on the delivery of the Certificate associated with each RPS Attribute, at the earliest time such Certificates or RPS Attributes become available for delivery, to an account designated by NYSERDA. Seller will be responsible for and will pay all fees and charges, if any, for the delivery, registration, transfer, and retirement of the RPS Attributes or associated Certificates into such account.
3. Until NYGATS is fully operational, NYSERDA's obligations to purchase RPS Attributes and to make payment are conditional on the ability of Seller to demonstrate to the satisfaction of the DPS that the creation of and title to the RPS-eligible Attributes is sufficiently verifiable for purposes of the Environmental Disclosure Program.
4. In no event shall the RPS Attributes of the generation associated with a contract with NYSERDA under this RFP be assigned by Seller to any entity other than NYSERDA. Any assignment or application by Seller of the RPS Attributes or NYGATS Certificates associated with a contract with NYSERDA to any other entity, program, or jurisdiction, whether associated with a publicly administered program or a voluntary transaction, is strictly prohibited by, and will constitute a default under the RPS Standard Form Contract.

XIX. QUANTITY OBLIGATIONS & ADJUSTMENTS

Should an Intermittent Bid Facility's Quantity Obligation fail to achieve 85% of the Bid Quantity for three (3) consecutive Contract Years, NYSERDA may adjust the Bid Quantity for the remainder of the Contract Delivery Term to equal the highest Actual Annual Eligible Production during any Contract Year over that three-year period multiplied by the Bid Quantity Percentage.

Should a Fuel-Based Bid Facility's Quantity Obligation fail to achieve 85% of the Bid Quantity for two (2) consecutive Contract Years, NYSERDA may adjust the Bid Quantity for the remainder of the Contract Delivery Term to equal the average Actual Annual Eligible Production of the two (2) Contract Years multiplied by the Bid Quantity Percentage.

Failure of any Bid Facility's Quantity Obligation to achieve 65% of the Bid Quantity during any Contract Year will constitute a default under the Standard Form Contract executed as a result of this RFP.

Should the Installed Bid Capacity differ from the Bid Capacity, Bidder agrees that NYSERDA may at its option upon Notice to Bidder modify the Contract by adjusting the Bid Quantity, Bid Quantity Percentage, or other relevant terms to reflect the Installed Bid Capacity.

XX. POST-AWARD DEMONSTRATION OF ACTUAL ECONOMIC BENEFITS

Within sixty (60) days of the third anniversary of the commencement of the Contract Delivery Term, Seller will be required to submit an economic benefits report including third-party documentation demonstrating the actual economic benefits that resulted from the construction and operation of the Bid Facility. Such report should include sufficient records and documents relating to employment, purchases, and other payments necessary to demonstrate the economic benefits created by the Bid Facility under the categories and within the eligibility requirements listed in Section 3 of the Bid Proposal (Economic Benefits Created by the Bid Facility). Examples of acceptable documentation include but are not limited to, invoices with proof of payment, tax documentation, contracts, or similar.

Should Seller fail to reasonably demonstrate that the total dollar amount of economic benefits having accrued to New York as a result of the development, construction/modification, and operation of the Bid Facility through the first three (3) Contract Years of operation (Verified Total Dollars), divided by Installed Bid Capacity, is at least 85% of Expected Total Dollars divided by the Bid Capacity, NYSERDA may reduce the Bid Price payable for the remainder of the Contract Delivery Term. Such reduction in the Bid Price will be made by an amount equal to the percentage shortfall between the Verified Total Dollars divided by the Installed Bid Capacity compared to the Expected Total Dollars divided by the Bid Capacity.

XXI. BID FACILITY ELECTRICITY DELIVERY REQUIREMENTS

A. For all Bid Facilities, the electricity associated with the Quantity Obligation must be:

1. delivered into a market administered by the NYISO for end-use in New York State; or
2. delivered through a wholesale meter under the control of a utility, public authority or municipal electric company such that it can be measured, and such that consumption within New York State can be tracked and verified by such entity or by the NYISO; or
3. delivered through a Bid Facility Dedicated Generation Meter, which shall be approved by and subject to independent verification by NYSERDA, to a customer in New York State (excluding customers in the service territory of the Long Island Power Authority) whose electricity was obtained through the NYISO/utility system as of November 24, 2010.

For Bid Facilities seeking to satisfy the electricity delivery requirement through options 2 or 3, above, all costs associated with measurement, tracking, and verification, to the satisfaction of NYSERDA and DPS Staff, and for participation in NYGATS must and will be borne by Bidder. See also Section XXIII; D, Metering.

B. Bilateral Sales

Bilateral sales for electricity associated with the Quantity Obligation produced by any Bid Facility are permissible provided the Seller can demonstrate that the purchaser of the electricity associated with the Quantity Obligation is a NYS Load Serving Entity (LSE), or one or more NYS end-users.

XXII. SUSPENSION OF DELIVERY

Upon prior approval by NYSERDA, a Seller may suspend deliveries of RPS-eligible Attributes to NYSERDA in order to (1) make sales of RPS Attributes or Certificates associated with RPS Attributes to the Voluntary Market in New York State or pursuant to New York State Executive Order or other mandated New York State governmental procurement, or (2) for compliance under the CO2 Budget Trading Program (6 NYCRR Part 242), subject to terms and conditions set forth at Article II of the RPS Standard Form Contract.

XXIII. PAYMENT

A. General Payment Terms

In order to receive payments under the RPS program, a Bid Facility must first be Operationally Certified by the Director of the Department of Public Service Office of Clean Energy. Once Operationally Certified, NYSERDA will make payments for RPS Attributes based on monthly invoicing, retroactive to the commencement of the Contract Delivery Term, and in accordance with NYSERDA's Prompt Payment Policy (Exhibit D to Attachments G and H to this RFP). NYSERDA will not pay for more than 95% of any Bid Facility's Actual Eligible Production during any month in any Contract Year. The maximum amount payable in a given month shall be calculated as follows: the multiplicative product of (a) the Actual Eligible Production of the Bid Facility during the prior month; (b) the Bid Quantity Percentage; and (c) the Bid Price.

Notwithstanding the above, NYSERDA will not pay for any RPS Attribute for which Seller has not transferred title to NYSERDA by the Certificate and Assignment of Rights Form (Exhibit B to Attachments G or H to this RFP) for such month, or upon the availability of NYGATS, for any RPS Attribute for which Seller has not transferred the associated Certificate to NYSERDA's designated account. Further, the creation of Certificates by NYGATS and all payments may be conditioned on the provision by Seller of all additional documentation, including but not limited to the generation data or access to generation data, and, if appropriate, fuel data/information necessary for NYSERDA to quantify and verify the existence of the RPS Attributes. For Fuel-Based Bid Facilities, the Seller will be

required to provide additional information as outlined in Exhibit E to the Fuel-Based Bid Facility Standard Form Contract (Attachment H to this RFP).

B. Payment Adjustments

NYSERDA may adjust payments to subsequent invoices consistent with adjustments by NYGATS pursuant to its Operating Rules, consistent with NYISO or other control-area billing settlement true-up procedures, based on actual metered production data at the Injection Point and data demonstrating compliance with the Bid Facility electricity delivery requirements.

C. Maximum Payment

NYSERDA will not make payment for more than 100% of the product of the Bid Quantity multiplied by the total number of Contract Years multiplied by the Bid Price. For Fuel-based Bid Facilities, NYSERDA will not make payment for more than 100% of the Bid Quantity in any Contract Year.

D. Metering

The Actual Production and Actual Eligible Production of the Bid Facility must be capable of accurate and verifiable measurement at the Injection Point by the local ISO, a transmission utility, public authority, municipal electric company, and in the case of a Customer-Sited Bid Facility, an independent third party through a Dedicated Generation Meter. Unless specifically agreed to by NYSERDA in writing, all Bid Facilities that are the subject of an award under this RFP must be separately metered and must be functionally represented by a single and discrete Injection Point.

XXIV. PERMITS/APPROVALS

The Seller shall be responsible to obtain all applicable permits and regulatory approvals that may be required in order to develop and/or operate the Bid Facility over the duration of the Contract Delivery Term. Neither the RPS Program nor selection under this RFP in any way replaces or modifies the necessity or applicability of any permit or approval process by any jurisdiction.

NYSERDA is subject to the State Environmental Quality Review Act (SEQRA), and is thereby required to assess the potential environmental impacts, *to New York State*, of any project funded through RFP 3257, wherever such project may be located. Upon selection, Sellers under contracts with Bid Facilities as to which no SEQR proceeding has been commenced will be required to provide a “full” Environmental Assessment Form (EAF), (1) evaluating the potential environmental impacts *to New York State* of construction and operation of such Bid Facility, and (2) demonstrating that construction and operation of the Bid Facility will not create a significant potential for violation of Article 11 of the Environmental Conservation Law.

A description of the State Environmental Quality Review Act and the associated regulations, as well as the full EAF, is available from the Department of Environmental Conservation website¹⁵. NYSERDA's obligations to make payments to Sellers under contracts entered as a result of RFP 3257 will be conditional on the acquisition of all such permits and approvals. Upon request by NYSERDA Seller must demonstrate such acquisition and/or provide copies of all permits and approvals acquired.

XXV. GENERAL CONDITIONS

A. Proprietary Information

Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Attachment A requests applicant indicate Confidential and Proprietary preferences for electronic form submission. Additional information submitted to NYSERDA that the proposer wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to except it from disclosure, including a written statement of the reasons why the information should be excepted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 <http://www.nyserda.ny.gov/About/-/media/Files/About/Contact/NYSERDA-Regulations.ashx>. However, NYSERDA cannot guarantee the confidentiality of any information submitted.

B. State Finance Law Sections 139-j and 139-k

NYSERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements which can be found at <http://www.ogs.ny.gov/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html> The attached Provisional Certification and Application Form calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k and a disclosure statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.

C. Tax Law Section 5-a

NYSERDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSERDA having a value in excess of \$100,000, to certify to the Department of Taxation and Finance (the

¹⁵ <http://www.dec.ny.gov/permits/357.html>

"Department") whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. See, ST-220-TD (available at http://www.tax.ny.gov/pdf/current_forms/st/st220td_fill_in.pdf). Prior to contracting with NYSERDA, the prospective contractor must also certify to NYSERDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a prospective contractor prior to contacting and filed with NYSERDA. See, ST-220-CA (available at http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf). The Department has developed guidance for contractors which is available at <http://www.tax.ny.gov/pdf/publications/sales/pub223.pdf>.

D. Omnibus Procurement Act of 1992

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

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

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

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

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

E. Disclosure Requirement

The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, and shall describe circumstances for each. When a proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of NYSERDA after the award of a contract, NYSERDA may exercise its stop-work right pending further investigation, or terminate the agreement; the contractor may be subject to penalties for violation of any law which may apply in the particular

circumstances. Proposers must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

F. Confidentiality

NYSERDA is subject to and must comply with the requirements of New York's Freedom of Information Law ("FOIL;" see Public Officers' Law Article 6). Information in any tangible form including any document that Bidder wishes to be protected from disclosure to third parties, including any information provided as a part of a Bid Proposal Package, must be marked "Confidential" or "Proprietary" at the time such information is provided to NYSERDA.

The FOIL Law (Public Officers Law § 87(2)(d)) provides an exception to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." If NYSERDA receives a request from a third party for information or a document received from Seller and which has been marked "Confidential" or "Proprietary," NYSERDA will process such request under the procedures provided by NYSERDA's FOIL regulations (email foil@nyserda.ny.gov for additional information).

XXVI. LIST OF ATTACHMENTS

- Attachment A – Provisional Certification and Application Form, including Disclosure of Prior Findings of Non-Responsibility
- Attachment B – Instructions for Provisional Certification and Application Electronic Submission
- Attachment C – Project Schedule Form
- Attachment D – Sample Bid Proposal Form
- Attachment E – Sample Bid Price Form
- Attachment F – Notice of Intent to Bid Form
- Attachment G – RPS Standard Form Contract – Non-Fuel-Based Bid Facilities
 - Exhibit A – Standard Terms and Conditions for all NYSERDA Agreements
 - Exhibit B – Certification and Assignment of Rights Form
 - Exhibit C – Letter of Credit
 - Exhibit D – Prompt Payment Policy Statement
- Attachment H – RPS Standard Form Contract – Fuel-Based Bid Facilities
 - Exhibit A – Standard Terms and Conditions for all NYSERDA Agreements
 - Exhibit B – Certification and Assignment of Rights Form
 - Exhibit C – Letter of Credit
 - Exhibit D – Prompt Payment Policy Statement
 - Exhibit E – Requirements for Biomass-Fueled Bid Facilities

XXVII. DEFINITIONS

In evaluating and responding to this RFP, please note that the terms and definitions used in this RFP have identical meanings to those in the RPS Standard Form Contracts (Attachments G and H to this RFP); in the case of conflict the meanings in the RPS Standard Form Contract will govern. This RFP and the RPS Standard Form Contract should be read in conjunction with each other.

Actual Annual Production: The amount, in MWh, of the total electric energy produced by the Bid Facility during any Contract Year, measured at the Injection Point.

Actual Annual Eligible Production: The amount, in MWh, of the Actual Eligible Production during a full Contract Year.

Actual Eligible Production: The amount, in MWh, of the electric energy produced by the Bid Facility during any period within a Contract Year, measured at the Injection Point, except that:

- (i) for a Repowering or Hydroelectric upgrade, the Actual Eligible Production shall be the product of (a) Actual Production of the Bid Facility, multiplied by (b) the percentage of the Actual Production resulting from the upgrade or Repowering established through the Provisional/Operational Certification Process.
- (ii) for a Fuel-Based Bid Facility that has never used eligible fuels, the Actual Eligible Production shall reflect the eligible biomass generation only, determined as the Actual Production of the entire Bid Facility, multiplied by the BTU input ratio of (a) the biomass fuel heat input to (b) the total fuel heat input, consistent with how such terms are applied for Provisional/Operational Certification;
- (iii) for a Fuel-Based Bid Facility that used eligible fuels, including co-firing with ineligible fuels, on or before January 1, 2003, the Actual Eligible Production shall reflect only that Actual Production using eligible biomass, biogas, or liquid bio-fuel above the historical baseline production established through the Provisional/Operational Certification Process.

Actual Production: The amount, in MWh, of the total electric energy production of the Bid Facility during any period within a Contract Year.

Behind-the-Meter: For the purposes of this RFP, a Bid Facility's renewable energy system located on-site and operated for the purpose of producing power for on-site use, delivered through a Bid Facility Dedicated Generation Meter, which shall be approved by and subject to independent verification by NYSERDA, to a customer in New York State (excluding LIPA service territory customers), whose electricity was obtained through the NYISO/utility system as of November 24, 2010. .

Bid Capacity: Bid Capacity shall equal the Bid Quantity Percentage multiplied by the Nameplate Capacity of the Bid Facility. In the case of repowering, hydroelectric upgrades and co-firing, the Bid Capacity shall equal the Bid Quantity divided by the Expected Average Annual Production, multiplied by the Nameplate Capacity.

Bidder: An individual or entity submitting an Application Package and Bid Proposal in response to this RFP. Such entity need not be the owner of the Bid Facility, but must have secured rights to the RPS Attributes or Certificates associated with RPS Attributes from the Bid Facility sufficient to satisfy all performance requirements stated in this RFP and the RPS Standard Form Contract.

Bid Facility: The electric generating station that has been identified and described in the Provisional Certification and Application Form.

Bid Price: A single fixed production payment, expressed in \$/MWh, applicable to each RPS Attribute offered as performance throughout the Contract Delivery Term.

Bid Quantity: The amount, in MWh, of RPS Attributes or Certificates associated with RPS Attributes the Bid Facility expects to proffer as performance under the RPS Standard Form Contract over each Contract Year during the Contract Delivery Term. The Bid Quantity must be the same for each Contract Year throughout the Contract Delivery Term, subject to adjustments pursuant to Section XIX (Quantity Obligations & Adjustments) and XXIII (Payment). This number will equal the Expected Annual Eligible Production multiplied by the Bid Quantity Percentage.

Bid Quantity Percentage: The percentage of the Bid Facility's Expected Annual Eligible Production that will be committed to performance under an RPS Standard Form Contract. The Bid Quantity Percentage must be at least 30% and may not exceed 95%, and will be applied to Actual Eligible Production in any period during the Contract Delivery Term to establish compliance with contract requirements.

Capacity Factor: The ratio, expressed as a percentage up to two decimal places, of the total electricity that the Bid Facility expects to produce during a Contract Year compared to the total potential electricity that could be produced if the Bid Facility operates at 100 percent of the Nameplate Capacity during every hour of the Contract Year.

Certificate: The NYGATS electronic record of generation data representing all of the attributes from one MWh of electricity generation from a Bid Facility registered with the NYGATS tracking system. NYGATS will create exactly one Certificate per MWh of generation.

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

Commercial Operation Milestone Date: The Commercial Operation Milestone Date shall be April 30, 2018. The Commercial Operation Milestone Date may be extended (see Section XVI (Contract Security)).

Contract Delivery Term: The Contract Delivery Term will commence on the first day of the month after the Bid Facility commences Commercial Operation. For Bid Facilities in Commercial Operation as of the date of selection for an award, unless otherwise agreed to in writing by NYSERDA, the Contract Delivery Term shall commence on the first day of the month after the Effective Date of the RPS Standard Form Contract. The Contract Delivery Term shall extend for the term of the Contract Tenor.

Contract Tenor: The duration, in years, of the Contract Delivery Term as defined on the Bid Proposal Form (Attachment D) submitted for the Bid Facility. The Contract Tenor shall not exceed the Maximum Contract Tenor.

Contract Security: All amounts provided to NYSERDA as defined in Section XVI (Contract Security) of this RFP.

Contract Year: A 12-month period commencing with the beginning of the Contract Delivery Term and each anniversary thereof within the Contract Delivery Term.

Customer-Sited Bid Facility: A Bid Facility interconnected on the customer side of a retail electric meter.

Dedicated Generation Meter: An internet enabled electric meter that displays instantaneous AC power and cumulative total AC energy production and, at a minimum, can record cumulative total AC energy production of the Bid Facility on an hourly basis, store the hourly readings for at least 7 days, and can transmit recorded readings once per day to a NYSERDA designated Data Agent via e-mail, FTP, HTTP or Modbus TCP/IP. The meter must meet the American National Standards Institute (ANSI) C12.20, be Revenue grade with a +/- 0.2% accuracy, and be calibrated in the manner and frequency, and otherwise generally maintained in accordance with the manufacturer's recommendations. The meter must also have battery backup to prevent the loss of data during power outages. Seller must provide, and maintain, an active internet connection to the meter throughout the Contract Delivery Term to support daily data transmissions. Data collected from the meter will be available to NYSERDA, and will be used by NYSERDA to verify the monthly Actual Eligible Production.

Delivery Point: The Delivery Point shall be the Injection Point.

DPS: The New York State Department of Public Service.

Expected Annual Eligible Production: The amount, in MWh, of the Expected Average Annual Production of the Bid Facility, measured or compensated to the Injection Point, except that:

- (i) for a Repowering or Hydroelectric upgrade, the Expected Annual Eligible Production shall be the product of (a) Expected Average Annual Production multiplied by (b) the percentage of the Expected Average Annual Production resulting from the upgrade or Repowering established through Provisional Certification;
- (ii) for a Fuel-Based Bid Facility that has never used eligible fuels, the Expected Annual Eligible Production shall reflect the eligible biomass generation only, determined as the Expected Average Annual Production of the entire Bid Facility, multiplied by the BTU input ratio of (a) the biomass fuel heat input to (b) the total fuel heat input, consistent with how such terms are applied for Provisional Certification;
- (iii) for a Fuel-Based Bid Facility that used eligible fuels, including co-firing with ineligible fuels, on or before January 1, 2003, the Expected Annual Eligible Production shall reflect that Expected Annual Eligible Production using eligible biomass, biogas, or liquid bio-fuel that is above the historical baseline production established through Provisional Certification.

Expected Average Annual Production: The expected electric energy production of the entire Bid Facility during any Contract Year post-upgrade/repowering for which Provisional Certification was granted.

Expected Total Dollars: The total dollar amount of economic benefits, as presented in the Bid Proposal, expected to accrue to New York as a result of the development, construction, modification, and operation of the Bid Facility through the first three (3) Contract Years.

Fuel-Based Bid Facility: For purposes of this RFP, Fuel-Based Bid Facilities are those where Actual Annual Eligible Production is derived from the use of eligible biomass, biogas or liquid bio-fuels as well as eligible fuel cell technologies.

Hydroelectric Upgrade: A hydroelectric upgrade results from investments made to an existing hydroelectric renewable electric generating facility that cause an increase in renewable generation incremental to a historical baseline level of generation, as determined through the Provisional/Operational Certification process.

Incremental Economic Benefits: Incremental Economic Benefits are financial expenditures benefitting New York State within the categories specified in Section XI, A; Section 3 and are those that a Bidder can demonstrate: (1) will accrue subsequent to an award under RFP 3257, and (2) would not have accrued but for the award of a contract under RFP 3257. Economic benefits previously claimed with respect to a Bid Facility that is subject to a pending award under a previous solicitation or that is the subject of a current RPS contract are not Incremental Economic Benefits.

Injection Point: The generator bus or location where (a) the administrator of the wholesale power market, (b) the operator of the transmission/distribution utility, public authority or municipal electric company, or (c) in the case of customer-sited generation, the dedicated generation meter at which a third party, measures, or otherwise determines, energy production from the Bid Facility.

Installed Bid Capacity: Installed Bid Capacity shall equal the gross generating capacity, in MW, of the entire Bid Facility that achieves Operational Certification multiplied by the Bid Quantity Percentage. In the case of repowering, hydroelectric upgrades and co-firing, the Installed Bid Capacity shall equal the Bid Quantity Percentage multiplied by the portion of the gross generating capacity (MW) that has been repowered, upgraded and or retrofitted as determined by Operational Certification.

Intermittent Bid Facility: For purposes of this RFP, Intermittent Bid Facilities shall include the following: wind, solar, tidal, ocean, and run-of-river hydroelectric.

Maximum Contract Tenor: The maximum number of years in the Contract Delivery Term available to a specific Bid Facility as determined through the Provisional Certification process. The Maximum Contract Tenor shall not exceed 20 years.

Nameplate Capacity: The gross generating capacity of the entire Bid Facility, post upgrade/repowering, in MW.

Net Metering: For purposes of this RFP, Net Metering has the meaning set forth at Section 66, et seq. of the Public Service Law.

New York Control Area (NYCA): The control area that is under the control of the NYISO which includes transmission facilities listed in the ISO/TO Agreement Appendices A-1 and A-2, as amended from time-to-time.

New York Generation Attribute Tracking System (NYGATS): The tracking system that records electricity generation attribute information within New York State, and processes generation attribute information from energy imported and consumed within New York State, as a basis for creating tradable generation attribute Certificates.

NYISO: The New York Independent System Operator, Inc. is the administrator of the wholesale power markets in New York and manages the physical electrical operations of the New York Control Area (NYCA).

Operational Certification: Operational Certification verifies that the Bid Facility has been constructed and/or will operate in accordance with the proposal submitted, for which Provisional Certification was granted and for which an award was made. See Section VIII, Subsection C.

Quantity Obligation: Shall mean, for any period during the Contract Delivery Term, the number of MWh calculated as the Bid Quantity Percentage multiplied by the Actual

Eligible Production; subject, however, to adjustments pursuant to Section XIX (Quantity Obligations & Adjustments).

Repowering: Shall mean a generation unit other than a hydroelectric upgrade, with an initial date of Commercial Operation no later than December 31, 2002, that has been or will be substantially and verifiably repowered on or after January 1, 2003, such that the Actual Annual Production from the facility after Repowering is or will be demonstrably greater than the Actual Annual Production prior to the January 1, 2003 level by at least five percent.

RPS-eligible Attributes: Shall mean all environmental characteristics, claims, credits, benefits, emissions reductions, offsets, allowances, allocations, howsoever characterized, denominated, measured or entitled, attributable to the generation of Actual Eligible Production by a Bid Facility. One RPS-eligible Attribute shall be created upon the generation by a Bid Facility of one MWh of Actual Eligible Production. RPS-eligible Attributes include but are not limited to: (i) any direct emissions or any avoided emissions of pollutants to the air, soil or water including but not limited to sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), particulate matter and other pollutants; (ii) any direct or avoided emissions of carbon dioxide (CO₂), methane (CH₄) and other greenhouse gases (GHGs) that have been or may be determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; (iii) all set-aside allowances and/or allocations from emissions trading programs made unnecessary for compliance in such program as a result of performance under an RPS agreement, including but not limited to allocations available under 6 NYCRR §§ 204, 237 and 238; and (iv) all credits, certificates, registrations, recordations, or other memorializations of whatever type or sort, representing any of the above. If the Bid Facility is a biomass or landfill gas facility and the Seller receives any tradable credits, benefits, emissions reductions, offsets, and allowances based on the greenhouse gas reduction benefits attributed not to the production of electricity but rather to its fuel production, collection, conversion or usage, it shall provide NYSERDA or its designee with sufficient credits, benefits, emissions reductions, offsets, and allowances to ensure that there are zero net GHGs associated with the production of electricity from such Bid Facility.

RPS-eligible Attributes do not include (i) any energy, capacity, reliability or other power products, such as ancillary services; (ii) production tax credits associated with the construction or operation of the Bid Facility or other financial incentives in the form of credits, reductions, or allowances associated with the Bid Facility that are applicable to a state or federal income taxation obligation; (iii) fuel-related subsidies or "tipping fees" that may be paid to the Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits; or (iv) emission reduction credits encumbered or used by the Bid Facility for compliance with local, state, or federal operating and/or air quality permits.

Once operational, NYGATS will create Certificates, which will embody title on a per megawatt hour (MWh) basis to the RPS-eligible Attributes.

RPS Attributes: The RPS-eligible Attributes offered and delivered as performance during the Contract Delivery Term. See Section XVII of this RFP (NYSERDA's Acquisition of Rights/Title to RPS Attributes).

RPS Standard Form Contract: The standard contractual document to be entered into by NYSEERDA and selected Bidders, which shall define, among other things, their rights and obligations concerning the generation of RPS Attributes and Certificates associated with RPS Attributes, the delivery of all right and title to RPS Attributes and associated Certificates to NYSEERDA, and the payments by NYSEERDA during the term of the agreement.

Seller: The contracting party to the RPS Standard Form Contract, as identified as the legal name of Bidder in Attachment D to this RFP (Bid Proposal Form). References to Bidder in this RFP correspond to references to Seller in the RPS Standard Form Contract.

Verified Total Dollars: The total dollar amount of economic benefits verified by NYSEERDA to have accrued to New York as a result of the development, construction/modification, and operation of the Bid Facility through the first three (3) Contract Years.

Voluntary Market: The market through which sales are made of renewable attributes for purposes other than compliance.