RESRFP20-1 Proposers’ Webinar

NYSERDA Large-Scale Renewables Team
August 4, 2020
Agenda

• Welcome & Agenda
• Background & RFP Summary
• Price Offer Structure & Evaluation
• Non-Price Components & Evaluation
• RES Standard Form Agreement
• Solicitation Website, Step One & Step Two Instructions
• Next Steps/Key Dates & Questions
Background
Large-Scale Renewables in New York State
Since 2017, 69 projects 6,000+ MW

2019 RFP Awards:
21 large-scale solar, wind, and energy storage projects
1,278 MW of renewable capacity and 40 MW of energy storage capacity

All contracted project information available via Open NY
Climate Leadership and Community Protection Act

Accelerated Renewable Energy Growth and Community Benefit Act

Related DPS Proceedings: 15-E-0302 20-E-0249 20-E-0197
New York State Response to Novel Coronavirus (COVID-19)

https://coronavirus.health.ny.gov/home

Solicitation Summary & Schedule
RESRFP20-1 Schedule

- **July**: RFP Issued July 21
- **Aug.**: 90-day Bid Preparation
  - Bids Due October 21
- **Sept.**: Bid Evaluation
  - Oct-Nov
- **Oct.**: Award & Contract Selection
  - Dec-Jan
- **Nov.**: Proposer Interviews
  - November 2020
- **Dec.**: Step Two Deadline
  - October 21, 2020
- **Jan.**: Step One Deadline
  - August 27, 2020
## RESRFP20-1 Multi-Step Process

<table>
<thead>
<tr>
<th>Step One Eligibility Application</th>
<th>Step Two Bid Proposal</th>
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<tr>
<td><strong>Due Date:</strong> Thursday, August 27 by 3:00 p.m.</td>
<td><strong>Due Date:</strong> Wednesday, October 21 by 3:00 p.m.</td>
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**Requirements for Submission:**
- Tier 1 eligibility certification (PSoQ or SoQ), obtained via NYGATS
- Key Proposer and Bid Facility characteristics (location, capacity, etc.)

**Requirements for Submission:**
- Full project characteristics and details
- Binding Bid Price and Bid Quantity data
- Viability Threshold Requirements documentation (Site Control, Interconnection, etc.)
- Permitting Plan
- Community Engagement Plan
- Operational Flexibility and Peak Coincidence documentation (P(50) 8760, energy storage details, etc.)
- If applicable, Incremental Economic Benefits claims
- Proof of Bid Fee payment
RESRFP20-1 New & Notable Items

Index REC Price Offer
• Index REC Structure approved by the Public Service Commission for implementation under RESRFP20-1

Permitting Plan Development
• Proposers of projects under development must submit a Permitting Plan consistent with RESRFP20-1 and Appendix 2
• Additional details will be communicated to Proposers as soon as possible re: approach to protection of agricultural lands

Commercial Operation Milestone Date
• All facilities must enter operation by November 30, 2022, with options to extend this date to November 30, 2025

Disadvantaged Communities
• Economic benefits realized in disadvantaged communities will be prioritized in evaluation

Increased Minimum Thresholds
• Proposers should ensure that intended Bid Facilities meet all minimum Viability Thresholds
RESRFP20-1 New & Notable Items

Accelerated Renewables Act, Office of Renewable Energy Siting

- New Permitting process available for projects greater than 20 MW and required for all projects greater than 25 MW not yet in Article 10 process
- Proceeding underway to establish a utility bill credit program and expedite priority transmission projects

Bid Fee

- Bid Fee determined by generator Nameplate Capacity due with Bid Proposal
- Only one Bid Fee required per Bid Facility

Co-issuance with New York Power Authority (NYPA)

- Developers may bid to one or both active large-scale renewables solicitations
- NYPA seeking Bundled Energy + RECs, with different eligibility requirements

Embodied Carbon

- Proposers should detail any carbon intensity/embodied carbon impacts of expected development, construction, and operation activities
Bid Price Structure & Evaluation
Fixed REC Offer

Fixed REC Payment Structure

- **Fixed REC Price**: Fixed price paid for each MWh generated and delivered for end use in NYS

- **Same payment structure of previous Fixed REC Tier 1 Solicitations**

- **Optionality for Fixed or Index Renewable Energy Certificate (REC) (“Bidder’s Choice”)**
Index REC Offer

Index REC Structure

• REC payments rise and fall inversely to energy and capacity revenues

• Regardless of choice, Fixed REC Price or Index REC Strike Price will be uniform for the entire contract tenor

• Calculation of Reference Prices (Energy & Capacity) to reflect project point of interconnection/delivery
Index REC Offer

Index REC Payment Structure

• Index REC Strike Price: Proposer chooses one Strike Price for the contract tenor.
• Reference Energy Price: Calculated monthly based on the hourly day-ahead Locational Based Marginal Pricing (LBMP).
• Reference Capacity Price: Calculated monthly based on the Seller-selected fixed, seasonal UCAP factor, multiplied by the MWh equivalent of the monthly ICAP spot market auction price.
• Monthly REC Price: Difference of Strike Price and sum of Reference Energy Price and Reference Capacity Price for each month, paid for each MWh produced by the Bid Facility in the subject month.

\[
\text{Index REC Strike Price} - \left( \text{Reference Energy Price} + \text{Equiv. Reference Capacity Price} \right) = \text{Monthly REC Price ($/MWh) Paid to Seller}
\]
Fixed & Index REC Evaluation

- Fixed REC and Index REC will be converted to a Levelized Net REC Cost (LNRC), evaluated over the contract tenor.
  - 6.14% nominal Discount Rate employed

- Index REC strike prices will be converted to LNRCs with NYISO Zone-specific energy and capacity forecasts

- Lowest LNRC will receive the maximum points available for the Bid Price component (70 points), higher LNRCs will receive lower scores (less than 70 points)
Non-Price Components & Evaluation

Project Viability
Economic Benefits
Operational Flexibility
Non-Price Components – Project Viability

Project Viability

• Site Control
• Interconnection
• Permitting
  – Permitting Plan
• Project Development
• Project Financing
  – Financing Plan
• Resource Assessment/Energy Prod. Estimate
• Community Engagement
  – Community Engagement Plan
  – cleanenergyhelp@nyserda.ny.gov
• Embodied Carbon

All minimum Viability Threshold Requirements must be met to be evaluated for an award
## Non-Price Components – Project Viability

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<tr>
<th>Category</th>
<th>Threshold</th>
<th>Documentation</th>
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| **Site Control**                | 50% generator site control  
Full control of POI                                                      | Site Map  
Project Site Parcel Detail                           |
| **Interconnection**             | SIS/SRIS (or equiv.) in progress                                        | Grid Operator Evidence                              |
| **Permitting**                  | Permitting Plan & other topical descriptions (e.g. local laws)           | Permitting Plan                                     |
| **Project Development**         | One RE project developed  
Full project development schedule                                        | Development experience                              |
| **Project Financing**           | One RE project financed  
Financing Plan                                                              | Financing Plan  
Financing experience                                     |
| **Community Engagement**        | Outreach with host communities  
Community Engagement Plan                                                   | Community Engagement Plan                           |
| **Embodied Carbon**             | Description of embodied carbon/ Life Cycle carbon footprint               |                                                    |
Non-Price Components – Economic Benefits

Incremental Economic Benefits to New York

- Long-term Economic Benefits
- Short-term Economic Benefits

- Eligible as of the RFP Launch Date
- Economic Benefits to Disadvantaged Communities will be prioritized in evaluation

- Economic Benefit claims will be term in the Agreement to fulfill through Y3 (Expected Total Dollars)
  - To be verified by independent CPA
  - Economic Benefits for entire Contract Tenor will still be requested by NYSERDA
Non-Price Components – Operational Flexibility

Operational Flexibility and Peak Coincidence (OpFlex)

Energy Deliverability
- Points distributed based on expected energy deliverability potential and compatibility with today’s grid and a 70% by 2030 grid

Energy Storage
- Larger Energy Storage Capacity (MWh) awarded more points
- Larger Energy Storage Capacity (MWh) in relation to generator Nameplate Capacity (MW) awarded more points
Post-Evaluation and Awards

Portfolio Risk Assessment
• Employed by NYSERDA and DPS to account for developer, technology concentration in the award group.

Program Policy Factors
• Employed if needed at NYSERDA and DPS discretion to ensure fulfillment of the CES and CLCPA objectives in light of potential critical risks to the award group.

NYP A Coordination
• NYSERDA and NYP A are coordinating on the best approach to arriving at a group of selected projects by both Authorities that will not have detrimental effects on one another.
RES Standard Form Agreement
RES Standard Form Agreement

• Definitions
  • Index REC inputs, Reference Energy & Capacity Price

• Article 4 Pricing and Payment
  • Index Calculation
  • NYISO Capacity Market and Mitigation Factor
  • Fixed REC Carbon Price Adjustment, per the Order Modifying Tier 1 Procurements

• Prevailing Wage

• Post-Award Contracting Process Contract Security
Solicitation Website
Step One & Step Two Instructions
Pre-Step One - NYGATS Registration

New York Generation Attribute Tracking System (NYGATS)

- Sign in (Existing Users)
- Register (New Users)

NYGATS is an online certificate-tracking system that records information about electricity generated, imported, and consumed within New York State.

https://nygats.ny.gov/

https://www.nyserda.ny.gov/All-Programs/Programs/NYGATS
Step One- Solicitation Website Registration

New York State Energy Research and Development Authority (NYSERDA)
Renewable Energy Standard
Purchase of New York Tier 1 Eligible Renewable Energy Certificates
REQUEST FOR PROPOSALS (RFP) No. RESRFP20-1 ("RESRFP20-1")
Step One - Eligibility Application Management

Form Sections

- Prequalification Form
  - NYSERDA RFP Acknowledgements

Application Form

1. Step One Eligibility Application
2. Contact Parties
3. Bid Facility, Site, and Generating Equipment Description
4. Energy Storage
5. Confidentiality and Mandatory Questions
6. Certification Statement

Step One Eligibility Application

- **Required** Enter NYGATS ID: PRO12345

- **Required** Please upload the signed letter confirming your Tier-1 eligibility for NYGATS Statement of Qualification (SoQ) or Provisional Statement of Qualification (PSoQ), accessible at https://nygats.ny.gov. Please do not upload NYGATS screenshots.

- **Required** Is the Bid Facility currently in operation and in possession of an SoQ?
  - Yes
  - No

- **Required** Do you intend to include Energy Storage in a Step Two Bid Proposal?
  - Yes
  - No

Bid Facility SoQ

- Facility Energy Storage
  - Yes
  - No
For Proposers including Energy Storage:

- Complete two separate Step One Eligibility Applications, one with and one without Energy Storage

- Clone feature on the solicitation website may be used to make a copy of the Application without Energy Storage as a starting point for the Application with Energy Storage.
NYSERDA Notice of Qualification

Notice of Qualification will include:

• **Determination of eligibility to submit a bid**
  – NYSERDA will attempt to cure any preliminary Ineligible determinations with Proposers

• **Maximum Contract Tenor**

• **Other Bid Quantity Inputs**
  – Tier 1 Percentage (Upgrades/Cofires),

• **Instructions on submitting a Step Two Bid Proposal**

• **Step Two required forms**
  – Bid Data Form (Attachment D)
  – P(50) 8760 Template
Step Two - Bid Proposal Management and Submission

- Eligible Step One Applications will have new sections available to complete in order to submit a Step Two Bid Proposal

- All new fields will be contained in new sections unlocked for eligible facilities participating in Step Two
Next Steps & Key Dates
## Solicitation Key Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>July 21, 2020</td>
<td>Solicitation Launch</td>
</tr>
<tr>
<td>August 20, 2020</td>
<td><strong>NYGATS Registration</strong> Requests deadline to be eligible to apply</td>
</tr>
<tr>
<td>August 27, 2020</td>
<td>Deadline – Step One Eligibility Application</td>
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<tr>
<td>August 2020</td>
<td>AGM details to be shared with Proposers</td>
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<tr>
<td>September 8, 2020</td>
<td>NYSERDA responds with Notice of Qualification to Bid</td>
</tr>
<tr>
<td>October 21, 2020</td>
<td>Deadline – Step Two Bid Proposal</td>
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<tr>
<td></td>
<td>All Bid Proposal Documents, Price and Non-Price Components</td>
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<tr>
<td>November 2020</td>
<td>NYSERDA reserves right to schedule Proposer Interviews</td>
</tr>
<tr>
<td>Dec 2020/Jan 2021</td>
<td>NYSERDA notifies awarded Proposers</td>
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Questions

Please send requests/inquiries via the Q&A and Messages feature of the solicitation website

Proposers may send interim questions to res@nyserda.ny.gov

All RFP information available at www.nyserda.ny.gov/ces/rfp