Agenda

• Welcome & Agenda
• Background
• Solicitation Summary
• Bid Structure & Evaluation
• OREC Standard Form Agreement
• Submission Instructions
• Next Steps/Key Dates & Questions
Background
Doreen Harris, Acting President and CEO
New York State Response to Novel Coronavirus (COVID-19)

https://coronavirus.health.ny.gov/home
New York is committed to 100% clean carbon-free electricity by 2040, most aggressive in the nation.
9,000 MW of offshore wind by 2035

10,000 jobs
Enough to power 6 million homes
Billions in infrastructure
30% of New York’s electricity load
Achievement of New York’s 9 GW offshore wind goal will result in significant benefits across the State.
New York has issued the **LARGEST Combined Solicitations for RENEWABLE ENERGY** ever by a U.S. State

- Offshore Wind Solicitation of Up To 2,500 Megawatts
- Port Infrastructure Investment of More Than $400 Million
- Solicitation for Land-Based Renewable Energy Projects of 1,500+ Megawatts
- Which is Equivalent to Powering 500,000 Homes for 20 Years

Combined, these Clean Energy Projects will:

- **$7 BILLION** in Investments and More than **4,500 JOBS**
- Jumpstart New York’s economy and accelerate climate goals
- Prioritize hiring in Environmental Justice Areas
- Benefit disadvantaged communities
- Require project labor agreements and/or prevailing wage for good paying jobs
Solicitation Summary
Greg Lampman,
Program Manager, Environmental Research
ORECRFP20-1 Now Live!
New York Launches Second OSW Solicitation

70% Price
20% Economic Benefits
10% Viability

https://www.nyserda.ny.gov/offshore-wind-2020-solicitation
ORECRFP20-1: Offshore Wind Generation with $400 million in Port Infrastructure Investments

- The combined solicitation includes a multi-port strategy and requirement for offshore wind generators to partner with any of the 11 prequalified New York ports to stage, construct, manufacture key components, or coordinate operations and maintenance activities.

- NYSERDA, with the assistance of NY Green Bank, Empire State Development and the New York State Department of Transportation, will support this combined solicitation for investing in and upgrading the state's port infrastructure.

- The $400 million in private and public funding is comprised of:
  - $100 million in Empire State Development grant funding,
  - $100 million in low-interest financing,
  - $200 million in private-sector matching funds, for a 1:1 public/private match.
ORECRFP20-1: De-Risking and Enabling Port Infrastructure and Supply Chain Investments

Integrated RFP process targeting both projects and port facilities seeks to deliver key strategic objectives to New York:

✓ Port facilities will be linked to awarded projects, will help to guarantee local economic impacts;
✓ Process will encourage cooperation/coordination between developers and suppliers; and
✓ Port facility investments will be de-risked, enabling bold supply chain advancements that will bolster New York’s position as the center of the U.S. offshore wind industry.
ORECRFP20-1 Process Overview

Highlights of solicitation process include:

**Bid Requirements**
- Project bidders must hold a federal offshore wind lease and be capable of delivering ORECs to the NYS Control Area;
- Bidders must work with any one or more of the 11 eligible ports to leverage up to $200M in State commitments to port infrastructure, matched with private capital (Required Base and Alternate Proposal(s))
- Standalone Proposal (no State funding for ports, no Port Infrastructure Investment Plan)

**Bid Evaluation Criteria**
- Price (70%): impacts to NYS ratepayers;
- Economic Benefits (20%): short- and long-term direct benefits to NYS, including job creation and in-state project and industry expenditures; and
- Viability (10%): technical and social maturity and feasibility of the planned project.

**Competitively-Selected Awards**
- NYSERDA will issue a long-term contract (25 years) to the winning project(s) to deliver offshore wind energy to NYS.
- NYS will also issue separate funding agreements to winning port facilities to support construction/refurbishment.
OREC Pricing Refined

- Index OREC Structure refined by the Public Service Commission for implementation under April 2020 Order (NYISO Zonal Reference Energy and Capacity pricing)
- Fixed OREC Structure available at “bidder’s choice”

Bid Fees

- Bid Fees revised to promote optionality in port and economic development configurations

Base and Standalone Projects

- Base Project: Proposers must propose at least one generation project combined with port infrastructure and seeking at least $100M and up to $200 in NYS funding, matched by private capital
- Standalone Project: Proposers must propose at least one generation-only project

Increased Minimum Thresholds

- Proposers should ensure that intended Proposals meet all minimum Viability Thresholds

Streamlined Submission Process
ORECRFP20-1 New & Notable Items

Community Engagement & Disadvantaged Communities

- Supporting the CLCPA target of delivering at least 35 percent of the overall benefits from New York State’s climate programs to Disadvantaged Communities.
- Requiring thoughtful community engagement plans.
- Economic benefits realized in disadvantaged communities will be prioritized in evaluation.

Support for Prevailing Wage, Project Labor Agreements (PLAs), MWBE, and SDVOB

Embodied Carbon

- Proposers describe the efforts undertaken to better understand and consider carbon intensity in design, sourcing and construction, and the steps that have been taken to minimize embodied carbon.

Support for Regional Monitoring

- Providing financial and technical support for regional monitoring of wildlife and key commercial fish stocks through a minimum contribution of $10,000 per megawatt of operational installed capacity to understand how offshore wind energy development potentially affects the distribution and abundance of sensitive species – including:
  - $5,000 per megawatt to support key commercial fish stock monitoring;
  - $5,000 per megawatt to support regional wildlife monitoring.
Bid Structure & Evaluation
Adrienne Downey, Principal Engineer, Offshore Wind
& Matt Vestal, Senior Advisor, Large-Scale Renewables
Section 2. Eligibility

- Required Base Proposal
- Alternate Proposals

Section 2.1.2, Appendix C.2
- Port Infrastructure Scoring Committee

Section 3.2 Viability (10%)

Section 3.3 Economic Benefits (20%)

Section 4 Price (70%)

5.1.1 Preliminary Ranking for Required and Alternate Proposals

5.2 Portfolio Evaluation

5.3 Award Group

5.1.2 Preliminary Ranking for Required Standalone Projects

Rejected Proposals:
- Ineligible Proposals
- Proposals with Port Infrastructure Plans deemed “Not Investment Worthy”
- Proposals with Project Viability Scores of Zero

Section 5.2 will determine whether Required Standalone Proposal will be considered in the Portfolio Evaluation process

(Appendix C.2 does not apply to Required Standalone Proposal)
Section 2. Eligibility

Required Standalone Proposal

Section 2.1.2, Appendix C.2

Section 2.2 Proposal

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Section 4 Price (70%)

Rejected Proposals:

Ineligible Proposals

Proposals with Port Infrastructure Plans deemed “Not Investment Worthy”

Proposals with Project Viability Scores of Zero

Defined pursuant to Section 2.1.2, and 2.1.3

Appendix C.2 does not apply to Required Standalone Proposal

Port Infrastructure Scoring Committee

Scoring Committee

Section 5.2 will determine whether Required Standalone Proposal will be considered in the Portfolio Evaluation process

START

END

NEW YORK STATE OF OPPORTUNITY

NYSERDA
Project Eligibility Requirements (I/II)

Bundled Port and Offshore Wind Requirements

• All Proposers must submit a Required Base Proposal and a Required Standalone Proposal but may also submit an uncapped number of Alternate Proposals. The Base Proposal and Standalone Proposals must include pricing for a 25-year Contract Tenor using either the Index OREC or Fixed OREC pricing structure and must reflect energy delivered through a direct marine cable interconnection to a point in NYISO Zone J or Zone K. Alternate Proposals may be for either 20-year or 25-year Contract Tenors (§2.1.3 – §2.1.6).

• Except for the Standalone Proposal, each Proposal must include at least one Port Infrastructure Investment Plan tied to one of the preselected Eligible Ports. NYS is poised to invest in port facilities that can support offshore wind staging, manufacturing, and/or other miscellaneous offshore wind related uses that create real, persistent and sustainable institutional or labor capabilities in the State, and that have the potential to reduce the cost of future offshore wind projects. Each Proposal must seek to invest at least $100 million in NYS Funding for port investments through its associate Port Infrastructure Investment Plans and adhere to the Funding Category limits and requirements (Appendix C.2), including the private capital investment match (§2.1.2):
  • Reimbursement-Based Grant Funding matched $1.25-for-$1.00, up to $100 million
  • New York State Assisted Financing matched $0.75-for-$1.00, up to $100 million
Port Infrastructure Investment Plans

A Proposer can submit multiple Proposals that involve Port Infrastructure Investment Plans for different Eligible Ports. Likewise, an Eligible Port is eligible to support multiple Proposers under this current RFP. A Proposer can also submit multiple Port Infrastructure Investment Plans for the same Eligible Port, to account for different uses, different funding approaches, or any other variation in the planned development approach.

Ports eligible for inclusion in the Port Infrastructure Investment Plan are only those 11 ports pre-qualified under New York State’s RFQL 4259.

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

If a Proposal’s Port Infrastructure Investment Plan is considered “not investment worthy,” the associated Proposal will be deemed ineligible for an OREC contract award. Proposers are encouraged to consider submitting Alternate Proposals with different included Port Infrastructure Plans. More than one Port Infrastructure Investment Plan may be submitted for any given Eligible Port.
Section 2. Eligibility

- Required Base Proposal
- Alternate Proposals

Section 2.1.2, Appendix C.2

Port Infrastructure Scoring Committee

5.1.1 Preliminary Ranking for Required and Alternate Proposals

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5.3 Award Group

Section 3.2 Viability (10%)

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Section 4 Price (70%)

Required Standalone Proposal

Rejected Proposals:
- Ineligible Proposals
- Proposals with Port Infrastructure Plans deemed “Not Investment Worthy”
- Proposals with Project Viability Scores of Zero

Defined pursuant to Section 2.1.2, and 2.1.3

Section 5.2 will determine whether Required Standalone Proposal will be considered in the Portfolio Evaluation process.

(Appendix C.2 does not apply to Required Standalone Proposal)

Proposals with Project Viability Scores of Zero

Proposals with Port Infrastructure Plans deemed “Not Investment Worthy”

5.1.2 Preliminary Ranking for Required Standalone Projects

Scoring Committee

21
Non-Price Evaluation: Project Viability (10%)

The project viability evaluation considers a series of factors that demonstrate whether the proposed Project can reasonably be expected to be in service on or before the proposed Commercial Operation Date and remain operational through the Contract Deliver Term.

To maximize the score received under this scoring component, Proposers must:

- provide evidence that Project development plans are sufficiently mature, and technically, socially, and logistically feasible;
- that Proposers have sufficient experience, expertise, and financial resources to execute the development plans in a commercially reasonable and timely manner; and
- that the Project as proposed can be developed in a manner which is sensitive to ocean users and coastal communities.

Project Viability categories to be evaluated by the Scoring Committee include:

- 3.2.1 Permitting Plan and Status
- 3.2.2 Financing Plan
- 3.3.3 Developer Experience
- 3.3.4 Proposed Technology
- 3.2.5 Development and Logistics Plan
- 3.2.6 Interconnection and Delivery
- 3.2.7 Proposed Commercial Operation Date(s)
- 3.2.8 Community Engagement and Prioritizing Disadvantaged Communities
- 3.2.9 Fisheries and Environmental Mitigation Plans
- 3.2.10 Visibility and Viewshed Impacts
- 3.2.11 Energy Resource Assessment
- 3.2.12 Carbon Emissions and Embodied Carbon
Non-Price Evaluation: Economic Benefits (20%) I/II

Category 1
Project-specific Economic Benefits not associated with NYS Funding of Port Infrastructure Investment Plans

Category 2
Project-specific Economic Benefits associated with NYS Funding of Port Infrastructure Investment Plans

Category 3
Industry Growth Activities for the NY OSW Supply Chain, Workforce, and R&D

Incremental Economic Benefits: Proposal’s Economic Benefits Plan

Category 1P
Project-specific Economic Benefits associated with NYS Funding of Port Infrastructure Investment Plans (incl. in Category 2 of Proposal’s Economic Benefits Plan)

Category 2P
Non-Project-specific Economic Benefits associated with NYS Funding of Port Infrastructure Investment Plans

Incremental Economic Benefits: Port Infrastructure Investment Plan

Only the Incremental Economic Benefits of the Port Infrastructure Investment Plan that are specific to Category 1P will be considered as part of the 20 points in the Proposal’s evaluation. Category 2P will not be used for the allocation of Economic Benefit points under this current RFP.
Non-Price Evaluation: Economic Benefits (20%) II/II

In developing each Proposal’s Economic Benefits Plan, Proposers are encouraged to recognize NYSERDA’s support of the CLCPA commitments to prioritize benefits to Disadvantaged Communities as described in Section 3.2.8.

Categories 1 and 2 to facilitate comparison by the Scoring Committee between Project submissions with larger or smaller Offer Capacities, the total of such adjusted claimed expenditures and investments will be unitized by dividing each Proposal’s eligible claims by the Offer Capacity offered in the Proposal.

Category 3 Proposals will be assessed on the scale of the likely impact of the proposed actions and the firmness of the commitments. Proposals will be scored on the number, range, maturity, firmness, and credibility of the commitments being made and the scale of the potential benefits. In awarding points in Category 3, the Scoring Committee will consider the:

1. nature, quantity and importance of the proposed claims;
2. effectiveness of the approach to developing the proposed claims;
3. supporting documentation to substantiate the nature, firmness and maturity of their commitments, including, for example, letters of support, memoranda of understanding, letters of intent, option agreements, or binding contracts.

For evaluation purposes, additional weight will be attributed by the Scoring Committee to those expenditures and investments that are firm and credible and that create persistent and sustainable institutional or worker capabilities in New York State, as well as those expenditures and investments expected to lower the cost of future offshore wind projects, both to the State and the region.
Price Evaluation (70%)

Bidder’s Choice: Fixed or Index Structures

- Optionality for Fixed or Index Offshore Wind Renewable Energy Certificate (OREC)
- Regardless of choice, Fixed REC Price or Index REC Strike Price will be uniform for the entire contract tenor
- Level nominal price options are required

Fixed OREC Price

- Fixed price paid for each MWh generated and delivered for end use in NYS

OREC Sells ORECs
NYSERDA
Load-Serving Entities
Sells Electricity – portion of customer bill supports OREC payments to NYSERDA

LSE Customers
Index OREC Payment Structure

• **Index OREC 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 OREC 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.

\[
\text{Index OREC Strike Price} - (\text{Reference Energy Price} + \text{Reference Capacity Price}) = \text{Monthly OREC Price ($/MWh) Paid to Seller}
\]
Price Evaluation (70%) III/III

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

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

- Lowest LNOC will receive the maximum points available for the Bid Price component (70 points), higher LNOCs will receive lower scores (less than 70 points)
To ensure comparison of like Proposals, NYSERDA will segregate the Required Standalone Proposals from each Submission to comprise a secondary tier of Proposals (§5.1.2).

The Required Standalone Proposal will only be considered for award if NYS has fulfilled its goal of port infrastructure investment through award(s) to another Proposal(s) (§2.1.3) and selected based upon their Preliminary Rank Order (§5.1.2).

The Required Standalone Proposals will be evaluated subject to the terms of §3 and §4 of this RFP, excluding those elements that pertain to the evaluation of Port Infrastructure Investment Plans (§5.1.2).
Program Policy Factors

In making awards NYSERDA may furthermore consider the following program policy factors:

- The efficient utilization of key transmission points of interconnection and project selections that will promote the cost-efficient integration of 9 gigawatts of offshore wind;
- Reliability and geographic benefits and/or costs in the NYCA, and the reduction of execution risk through diversity;
- Public health benefits of reducing local air contaminants by displacing fossil generation in downstate New York;
- Secondary economic benefits in addition to those represented in the quantification of Incremental Economic Benefits, including those provided by indirect jobs and new and increased tax payments;
- Potential for visual, environmental and economic impacts and benefits, including the potential for a new source of coastal tourism;
- Competitive benefits of two or more smaller Projects versus the potential scale economy anticipated with a single large Project;
- Economic and environmental tradeoffs related to accelerated fulfilment of the CLCPA’s 9,000 MW offshore wind procurement goal earlier versus the potential OREC cost reduction in future procurements due to technology progress, offshore wind transmission infrastructure development, and supply chain efficiencies serving New York.

Proposers are encouraged to consider and address the above program policy factors in their Proposals to the extent applicable in their Submissions.
OREC Standard Form Agreement
Sam Walsh, Harris, Wiltshire & Grannis LLP
External Counsel to NYSERDA Offshore Wind Team
OREC Standard Form Agreement

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

• Article 4 Pricing and Payment
  • Index Calculation
  • NYISO Capacity Market and Mitigation Factor

• Prevailing Wage

• Project Labor Agreements, MWBE

• Port Provisions

• Post-Award Contracting Process Contract Security

Questions regarding the definitions of Prevailing Wage, and interpretations thereof, should be directed to NYSERDA Designated Contacts
Exceptions to Agreement

ORECRFP20-1 – Appendix F – Offshore Wind Renewable Energy Certificate Standard Form Purchase and Sale Agreement

- Optional to provide a redlined markup to Appendix F and an explanation and justification for each proposed change

- No impact on scoring or evaluation of the Proposal

Proposers’ attention is drawn to several improvements in precision that are offered in the definitions of eligible economic benefits in ORECRFP20-1 and an acknowledged openness to good-faith negotiations with NYSERDA of contractual provisions to support a diversity of economic benefit packages and investment provisions (see Appendix F, Exhibit I)
Submission Instructions
Adrienne Downey, Principal Engineer, Offshore Wind
I. OREC RFP20-1 Appendix J

II. Salesforce Portal Registration
October 13th, 2020 3 p.m. ET

https://portal.nyserda.ny.gov/Core_Registration_Page?programName=Offshore_Wind

III. Proposal Submission
October 20th, 2020 3 p.m. ET

https://portal.nyserda.ny.gov/login
## Submission Package

- **Required Base Proposal**
- **Required Standalone Proposal and Port Infrastructure Plan(s)**
- **Alternative Proposal(s) (optional)**

### Submission Fees (per Submission)

See ORECRFP20-1 §1.5, Calculated via the Master Offers Form:

- Required Base Proposal Fee (includes Standalone Proposal and three Port Infrastructure Investment Plans)
- Alternate Proposal Fee(s) (as appropriate)
- Additional Port Infrastructure Plan Fee(s) (as appropriate)

### Confidential Version (per Submission)

- **Master Offers Form** [One per Submission]
- **Offer Data Form(s)** [Multiple per #Proposals]
  - Required Base Proposal
  - Required Standalone Proposal
  - Alternate Proposal(s)
- **Port Infrastructure Investment Plan Data Form(s)** [Multiple per #Port Infrastructure Investment Plans (PIIP)]
- **Proposal Narrative (including related attachments, see Checklist 2)** [One per Submission, albeit with Narrative Sections per (PIIP) to adequately support the Submission]
- **Proposer Certification Form** [One]
- **Agreement (optional, redline to RFP Appendix F, see §1.6)** [Optional, One per submission albeit to flag any variations related to PIIP and Economic Development particularly in Exhibit I]

### Public Version (per Submission)

Public Versions will be published to NYSERDA’s 2020 Solicitation Website:

- **Proposal Narrative (including related attachments, see Checklist 2)**
I. Creating Submission:

II. Required Documents per Submission:

III. Naming Conventions:

Note: Individual file sizes capped at 100MB

ORECRFP20-1 – Appendix J
Offer Pricing Forms

Appendix G: Offer Data Form
One for each distinct Proposal per §2.1.2

Appendix H: Master Offers Form
One consolidated form representing the entire Proposal package

Appendix I: Port Infrastructure Investment Plan Data Form
Next Steps & Key Dates
Greg Lampman,
Program Manager, Environmental Research
Designated Contacts and Communications

- Designated Contacts for ORECRFP20-1:
  Adrienne Downey, Principal Engineer, Offshore Wind
  Gregory Lampman, Program Manager, Environmental Research
- The individuals listed as Designated Contacts are the ONLY permissible contacts for questions regarding ORECRFP20-1.
- All communications to the Designated Contacts regarding ORECRFP20-1 must be by e-mail to offshorewind@nyserda.ny.gov (no phone calls please).
- Questions regarding the Standard Agreement will be routed to Deputy General Counsel Peter Keane via this same address.

Communications and activities with NYSERDA and New York State agencies to advance the offshore wind industry and related workstreams continue uninterrupted through the active RFP.
Schedule – Reminders!

All Eastern Time (ET):

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offshorewind@nyserda.ny.gov
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Contact: offshorewind@nyserda.ny.gov
Questions?

Contact Us:
Website: offshorewind.ny.gov
Solicitation Webpage: https://www.nyserda.ny.gov/offshore-wind-2020-solicitation
Email: offshorewind@nyserda.ny.gov