



Responses Due: Thursday, November 2, 2023 by 3:00 PM Eastern Prevailing Time

The purpose of this Request for Information (RFI) is to invite external stakeholders to review and comment on the potential structure and relative merits of an expedited solicitation for Offshore Wind Renewable Energy Certificates (ORECs). After receiving and reviewing feedback on this RFI, NYSDERDA may release an OREC request for proposals (OREC RFP) either (i) in Q4 2023, with awards intended to be made in Q1 2024 (the "Q1 Close Option") or (ii) in Q1 2024 with awards intended to be made in Q2 2024 (the "Q2 Close Option").

NYSDERDA does not intend to publish responses to this RFI. However, if you wish for your responses to remain confidential please mark them "Confidential" or "Proprietary," in accordance with the procedure described below. If NYSDERDA receives a request from a third party for responses received that have been marked "Confidential" or "Proprietary," NYSDERDA will process such request under the procedures provided by New York State's Freedom of Information (FOIL) regulations as detailed below (see foil@nyserda.ny.gov for additional information). The FOIL provides exceptions to disclosure, including Section 87(2)(d) which 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." Information submitted to NYSDERDA that the disclosing party 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 exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501.

Respondents are not required to answer all questions and should focus on questions relevant to their participation in the next OREC RFP and/or their field of expertise.

Comments responding to this RFI are due by Thursday, November 2, 2023 at 3 p.m. ET, and should be sent to NYSDERDA-OSW@levitan.com with the subject line "ORECFI23-1 Comments". NYSDERDA may reach out to respondents to seek clarifications. Any questions about this RFI or requests to discuss this RFI should be directed in writing to offshorewind@nyserda.ny.gov, but NYSDERDA may also at its sole discretion at any time also elect to engage in discussions with potential respondents and other interested parties regarding the matters described in this RFI.

I. Background and Objectives

This RFI builds upon ORECRFP22-1,¹ the Public Service Commission (Commission) Order Denying Petitions to Preserve Competitive Renewable Energy Market and Protect Consumers issued on October 12, 2023 (the October 2023 Order),² and New York’s 10-Point Action Plan,³ all of which include elements and guidance that NYSEERDA is considering as part of the next OREC RFP.

Under the Climate Leadership and Community Protection Act (Climate Act), New York State has adopted some of the most ambitious clean energy goals in the nation, including an offshore wind goal of installing 9,000 megawatts by 2035. Achieving this goal will require development timelines that consider both access to the current offshore wind supply chain overseas, as well as the burgeoning domestic offshore wind supply chain. The objective of this RFI is to invite external stakeholder feedback on the potential structure and timing of the next OREC RFP to help inform NYSEERDA’s planning around drafting and timing of such an OREC RFP prior to issuance. Feedback is primarily sought from prospective bidders into the next OREC RFP, and feedback from other stakeholders will be considered as well.

This RFI refers to potential characteristics of the next OREC RFP. However, all aspects of any proposed OREC RFP, including any features described or not described herein, may be altered, removed, or otherwise changed at the sole discretion of NYSEERDA.

II. Content of Response

Responses should be concise and focus on areas in which the respondent has a particular interest or expertise. Please limit your response to 10 pages or less.

The following information and items must be included in every response to this RFI:

- Respondent’s name, affiliation, title, and primary contact information.
- Identify and provide general background about your organization, noting whether your organization is a potential bidder into the next OREC RFP (and/or future NYSEERDA OREC RFPs generally) or the planned future Offshore Wind Supply Chain Investment Plan Request for Proposals (SCIP RFP).⁴
- Each page of the response should include a header stating the name of the respondent.
- Each response should include the RFI question number and the page number.
- As further described in the Background and Objectives Section above, Respondents should designate information intended to remain confidential as “Confidential” or “Proprietary.” Respondents are discouraged from marking their entire response as “Confidential” or “Proprietary.”

¹ <https://www.nyserda.ny.gov/All-Programs/Offshore-Wind/Focus-Areas/Offshore-Wind-Solicitations/2022-Solicitation>

² Case 15-E-0302, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard*, Order Denying Petitions to Preserve Competitive Renewable Energy Market and Protect Consumers (issued on October 12, 2023).

³ <https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/Offshore-Wind/10-point-plan.pdf>

⁴ Request for Information: Offshore Wind Supply Chain Investment ([SCIPRF123-1](#)).

III. Specific Questions / Seeking Stakeholder Feedback

A. Timing of Next OREC RFP

NYSERDA plans to launch an offshore wind solicitation in late 2024, in alignment with expected early results of the New York City Public Policy Transmission Needs (NYC PPTN) process ordered by the New York State Public Service Commission earlier this year. However, considering the October 2023 Order and in accordance with New York's 10-Point Action Plan, NYSERDA is considering launching an additional OREC RFP on an expedited timeline. This will provide an opportunity to any eligible bidders to compete for awards, including both projects that were previously contracted with NYSERDA or other state offtakers, as well as projects that have not yet been awarded a contract. NYSERDA is seeking feedback on the preferred timing for launch and other details relating to such an OREC RFP.

To allow time for NYSERDA to complete drafting and preparation of the next OREC RFP after receiving feedback from this RFI, the earliest the next OREC RFP is expected to be released is late November or early December 2023. To comply with New York State procurement rules, a minimum of 15 business days must elapse between release of the next OREC RFP and the date on which proposals into the next OREC RFP are due. Evaluation of bids submitted into the next OREC RFP is expected to require a minimum of approximately three weeks, with finalization of the award group by NYSERDA, in consultation with Department of Public Service staff, to be carried out as promptly as possible thereafter.

With the above constraints in mind, NYSERDA is currently considering running the next OREC RFP on one of the following two timelines:

1. Q1 Close Option. The primary goal of this approach would be to allow bidders to be awarded and contracted as soon as possible. Under this option, the next OREC RFP would be released in late November or early December 2023. Bidders would have four weeks to prepare proposals, with bids due at the end of December or January. Depending on the level of clarifications needed from bidders, any awards could potentially be made as early as late January or early February 2024.
2. Q2 Close Option. The goals of this approach would be to (i) provide additional time for NYSERDA to further tailor the next OREC RFP to current market conditions and needs and (ii) allow bidders additional time to prepare their bids into the next OREC RFP. Under this option, the next OREC RFP would be released in January or February of 2024, and bidders would have at least six to eight weeks to respond, with bids due in mid-Q2. To potentially allow for a less compressed evaluation period, any awards would be expected to be made by late Q2 2024.

In either case, to be eligible to bid into the next OREC RFP, a project would not be permitted to have an active contract with NYSERDA or another OREC offtaker. Accordingly, any project with such a contract would be required to terminate the contract prior to being eligible to bid into the next OREC RFP.

As was the case in ORECRFP22-1, bidders would submit contract redlines in parallel with bids, allowing NYSERDA to commence review of contract redlines in parallel with bid evaluation. This approach is intended to accelerate the process of contract negotiations such that any contracts can be signed promptly after bid evaluation is complete and any awards are made.

- What is your level of interest in bidding into the next OREC RFP on the timelines described above, and how does that interest vary depending on whether the RFP timeline aligns more closely with the Q1 Close Option or the Q2 Close Option? Please explain why one timeline is preferable to the other and whether any other variations on the timeline would be preferable to these options.
- Assuming the next OREC RFP follows the approach below, how long would you need to develop a responsive proposal to the next OREC RFP? Please consider the Q4 2023 holiday schedule relating to the Q1 Close Option.
- In designing the next OREC RFP, what RFP requirements and process steps should NYSERDA seek to simplify and streamline to enable efficient preparation and evaluation of bid proposals?
- If your project is/was under contract to a State for the delivery of offshore wind energy and/or Renewable Energy Credits/Certificates, and that contract is/has been terminated, when would you need (i) notice of an award and (ii) a signed contract from the next OREC RFP, in order to maintain the current development schedule of your project?
- Should any applicable contract with NYSERDA (or another OREC offtaker) be required to be terminated on a date earlier than the deadline for submission of bids for the applicable project to be eligible to participate in the next OREC RFP? Why or why not?
- For potential bidders into the next OREC RFP, which lease area(s) would you consider bidding to the next OREC RFP, how large (in terms of MW capacity) would the proposed project(s) you consider bidding be and when would you expect the proposed projects could reach commercial operation?
- How do these potential timelines interact with your participation or potential participation in solicitations of neighboring states, and how do you recommend the next OREC RFP handle this issue?
- How does the pending New York City PPTN solution process impact your development plans?

B. Design of Next OREC RFP

In part to minimize the time required to prepare the next OREC RFP – particularly under the Q1 Close Option – NYSERDA currently expects that the next OREC RFP would follow the general structure of ORECRFP22-1, with the key potential adjustments described below. Respondents are encouraged to respond with feedback on each of these items, describing whether the potential changes are appropriate or if a different approach would be preferable.

No.	ORECRFP22-1 Component	Potential Change(s) in the next OREC RFP	Considerations
1.	Targeted a minimum of 2 GW in total award size	Maximum award size would be limited to the remaining capacity authorized by Commission orders and the Sept. 17, 2020, Final Supplemental Generic Environmental Impact Statement in Case No. 15-E-0302 above and beyond the amount of capacity with active NYSERDA contracts at the time bids are received.	Allows for award of substantial capacity while reserving potential additional capacity for future solicitations to build on transmission planning including the NYC PPTN.
2.	Maximum of 1.33 GW into Zone K (Long Island)	No more than one project into Zone J (New York City) and no more than one project into Zone K (Long Island).	Allows for robust competition among projects interconnecting into each zone while enabling award of projects in each zone to meet New York State's goals.
3.	Required HVDC in any constrained cable areas and required meshed readiness for all HVDC proposals.	Same requirements as ORECRFP22-1; except that bidders will be permitted to propose siting HVAC cables in Constrained Areas (as defined in ORECRFP22-1) in substantially the same areas and to the same extent as contemplated by projects that were already contemplated at the time of the Order on Power Grid Study Recommendations. ⁵ Any bid with such proposed HVAC cabling would be eligible for award only to the extent that the offtake contract for any existing project that contemplates siting HVAC in such areas is terminated prior to the time of bid submission in the next OREC RFP.	Allows any bidder to utilize substantially the same HVAC cabling footprint that was already contemplated at the time of the Order on Power Grid Study Recommendations).
4.	Supply Chain Investment Plans (SCIPs) solicited as a component of bids.	SCIP component of RFP removed.	Enables the RFP to be run on a significantly accelerated basis compared to ORECRFP22-1.

⁵ Case 15-E-0302, *supra*, Order on Power Grid Study Recommendations (Issued January 20, 2022).

No.	ORECRFP22-1 Component	Potential Change(s) in the next OREC RFP	Considerations
5.	Provided for submission of "SCIP-related purchases" which were economic benefit commitments conditional upon certain SCIP Facility(ies) being available on a certain timeline.	Do not allow for conditional economic benefits of any kind. Alternatively, allow for SCIP-related purchases from facilities that have been awarded NYSERDA funding by the time the next OREC RFP is launched.	Simpler approach would likely accelerate the RFP process, but the alternative approach could potentially enable more tailored and realistic economic benefits commitments.
6.	Minimum Offer Capacity of 1000 MW or total capacity of Proposer's lease area	800 MW minimum offer capacity; 1400 MW maximum offer capacity.	Enables participation of currently-contracted projects that may terminate their existing contracts and caps each project's size based on efficient cable corridor usage.
7.	Allowed for upgrade capacity proposals	No allowance for upgrade capacity.	Simplifies and focuses next OREC RFP on obtaining projects of significant size.
8.	Required \$114,000/MW minimum U.S. Iron and Steel	Similar approach as was used in ORECRFP22-1, subject to NYSERDA finalizing market review.	Maintains consistent approach while permitting projects that cannot achieve the minimums to pay a financial penalty if the requirement is not met.
9.	Economic benefits are eligible as of January 1, 2022.	Allow economic benefits that accrued on or after May 15, 2019 (the award notification date under ORECRFP18-1) to be eligible.	Enables projects that have been in development for a longer time frame to count earlier New York State expenditures, to allow for more equitable evaluation with newer projects.
10.	Bidders were encouraged to include fossil repurposing plans.	NYSERDA is considering removing this aspect from the next OREC RFP.	Would accelerate preparation and evaluation of bids in next OREC RFP.
11.	Bidders were encouraged to submit proposals paired with energy storage.	NYSERDA is considering removing this aspect from the next OREC RFP.	Would accelerate preparation and evaluation of bids in next OREC RFP.
12.	Contract Security set at \$5,000/MW, increasing to \$20,000/MW on or before January 1, 2026, \$10,000 between January 1, 2026 and January 1, 2028, and \$25,000/MW each year thereafter.	Increase contract security significantly, e.g., up to a total of approximately \$100,000/MW (i.e., \$100 million for a 1 GW project).	Provides greater financial consequences for failure to develop the project or comply with the contract, in line with general market practice.

No.	ORECRFP22-1 Component	Potential Change(s) in the next OREC RFP	Considerations
13.	No specific deadline for commercial operation was included.	Impose financial consequences if the awarded project does not commence operation by 2030. For example, the purchase and sale agreement could provide for liquidated damages equal to 25% of posted Contract Security (e.g. \$25 million if \$100 million in total contract security is posted) if commercial operation is not achieved in or earlier than 2030 and for additional liquidated damages equal to another 25% in each subsequent year until commercial operation is achieved. The contract will also include financial consequences if certain critical interim milestones are not met on the schedule necessary to maintain progress towards a 2030 commercial operation date.	Favors projects that are capable of commencing operation in time to contribute to New York State’s 70x30 goal and helps to reinforce the need to bid realistic timelines.

C. Other Considerations for the Next OREC RFP

Respondents are encouraged to identify any other issues that NYSERDA should consider in its design of the next OREC RFP, while bearing in mind (i) the priority of reaching the 70x30 and 9 GW of Offshore Wind by 2035 targets, (ii) the bounds of Commission orders that prescribe how OREC RFPs must be evaluated, (iii) legislation mandating inclusion of certain provisions (e.g. labor-related requirements) in NYSERDA’s OREC RFPs, (iv) the ability of bidders to prepare and NYSERDA to evaluate bids into the RFP on an accelerated timeline, and (v) requirements of New York State procurement law.

IV. General Conditions

The information gathered by NYSERDA will be advisory only and is not binding on NYSERDA or any other state agency, office, commission, or public authority. Responses will become the property of NYSERDA. Any actions recommended by NYSERDA will be subject to all applicable laws, including procedural, regulatory and environmental review requirements.

This RFI is neither a contract offer, nor a request for proposals and does not commit NYSERDA to award a contract, pay any costs incurred in preparing a response, or to procure or contract for services or supplies. Respondents are encouraged to respond to this RFI; however, failure to submit a response will not impact a Respondent’s ability to respond to any future competitive solicitation process (if any) for projects, or influence the selection of a service provider going forward or affect its rights and obligations under any

applicable laws or in any legal proceeding. NYSERDA reserves the right to discontinue or modify the RFI process at any time, and makes no commitments, implied or otherwise, that this process will result in a business transaction or negotiation with one or more Respondents. All costs associated with responding to this RFI will be solely at Respondents' expense.