

**NYSERDA Build-Ready Program Auction: Request for Information (RFI) 5034
May 10, 2022 Webinar Q&A Summary**

The following Q&A was prepared to provide responses to questions that were asked during the May 10th, 2022 Build-Ready Auction: RFI 5034 Webinar held by NYSERDA.

No.	Question	Proposed Answer
1	Is the 5-to-20-megawatt (MW) range for the potential sites in Alternating Current (AC) or Direct Current (DC)?	The reported MW is in AC.
2	About how many MWs are currently being assessed across the approximately 30 sites?	There are over 500 MW across the approximately 30 sites being assessed.
3	Are you accepting questions on the webinar?	Yes, we are. Submit them through the Q&A function.
4	Please provide more detail about the pricing structure, specifically regarding the REC bid?	<p>Please see Section 3.2.2 of Appendix 1 of the RFI - <i>Price Requirements</i>.</p> <p>There are three main factors to the pricing structure. Two are set by NYERDA and will have to be accepted by the proposer and the third is set by the proposer.</p> <p>The two set by NYSERDA are:</p> <ol style="list-style-type: none"> 1) The Project Development Cost: The direct costs incurred by NYSERDA to advance the project site to the point of auction. The proposer will have to accept this amount. The eventual awarded developer will have to pay this amount to NYSERDA. Build-Ready is contemplating having this payment due to NYSERDA within 30 days of the developer receiving notice of the award. 2) The Project Bid Fee: A fee that will ensure the Authority recoups a portion of its administrative costs, including a percentage of salaries, overhead, and administrative costs associated with project development. NYSERDA is proposing that all step-two proposers, whether they are awarded a project or not, will be required to pay the project bid fee to participate in the step-two process. <p>The third set by the Proposer is:</p> <ol style="list-style-type: none"> 3) The REC bid price. Either a (1) Fixed REC Price or (2) Index REC Strike Price that is adjusted monthly by netting out the sum of the Reference Energy Price and the Reference Capacity Price, offered by the bidder, as described in the Tier 1, Article IV Pricing and Payment. The REC Bid Price is the primary bid variable for the award of Build-Ready Program auctions.

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		<p>The REC bid price will be provided by the proposers. The proposers will indicate what REC price (\$/MWh) they would need to receive over a 20-year period to make the project financially viable. The REC bid price put forward by the proposer will be evaluated during the proposal review. NYSERDA has not decided as to whether it will require a fixed or index REC bid price, and/or if we will leave it open to the proposer. NYSERDA is seeking feedback in the RFI on the preferred approach towards the REC bid price.</p>
5	Will the slide deck be available for download?	Yes, the slide deck will be made available for download.
6	Will projects be over 20 MW, and if so, what would be the expected MW?	The majority of Build-Ready projects are 20 MW or less. There are a few projects that are advanced in the development pipeline that are projected to be over 20 MWs of nameplate capacity.
7	What's the breakdown of the potential projects in the Build-Ready portfolio by size? Specifically, how many connect to the distribution system, sub-transmission system, or transmission system.	The majority of Build-Ready projects are a mix of 5-20 MW projects, mostly connecting at the sub-transmission level.
8	Are ballasted systems required for all sites?	No. The determination to use ballasted systems is a case-by-case determination, but we do expect ballasted systems will be required for capped landfills and other contaminated sites with capped cover.
9	Are any of the projects expected to be permitted by the Office of Renewable Energy Siting (ORES)?	Any project over 25 MW will be permitted through ORES. For projects between 20 and 25 MW, NYSERDA will make a project-by-project determination whether to utilize the ORES permitting process.
10	Are there predetermined base rent lease rates the Build-Ready team offers landowners to secure sites for predevelopment?	No. NYSERDA evaluates lease rates for each site on a case-by-case basis. NYSERDA, for the most part, uses a lease option agreement to secure site control. The rates in the lease option agreement for the option, construction, and lease period reflect market rates for the area and for the specific site type and are comparable to what a private sector developer would offer for a similar site. NYSERDA is working with experienced land agents to determine the appropriate market rates for each site.
11	If the site host, for instance, a municipality, wants to do a PPA that includes the RECs	This scenario is not typical under the Build-Ready program model, but there is nothing that would prevent this arrangement from being

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	with the developer, is that permissible through this program?	considered should the circumstances of a particular project warrant its consideration.
12	Will the REC contract offered by Build-Ready utilize NYSERDA's Index REC structure that is common in Tier 1 and Offshore Wind REC procurements?	NYSERDA has not determined whether the Build-Ready program will offer either a fixed or index REC, or allow bidders to select either a fixed or index REC. The RFI specifically asks this question and NYSERDA is looking for feedback on this topic. Respondents to the RFI with a preference on this topic should provide their preference to NYSERDA along with a supporting rationale for the preference so that NYSERDA can consider this perspective in structuring its first Build-Ready RFP.
13	For the RECs, will developers retain the rights to energy, capacity, ancillaries etc.?	Yes, developers will maintain rights to energy (provided it is sold into the NY wholesale market), capacity, and ancillary services revenue.
14	Are interconnection study results and cost estimates available to bidders? Interconnection agreements executed? Would NYSERDA cover any of the interconnection costs?	<p>Yes, at the time of auction any interconnection study results, cost estimates, interconnection agreements etc., that have been completed within the NYISO or related interconnection process(es) will be made available to bidders.</p> <p>Whether NYSERDA will execute Interconnection Agreements is still to be determined and is an item Build-Ready is seeking feedback on via the RFI.</p> <p>NYSERDA doesn't anticipate incurring any interconnection costs at this time; the eventual awarded developer will be responsible for the interconnection costs. NYSERDA aims to have estimated costs to share with proposers to inform their REC bid price and overall proposal.</p>
15	What other criteria is considered as part of awarding the winning bid besides price? Is there a percentage breakdown in criteria?	<p>The RFP will evaluate non-price factors which are currently under development. The exact percentage breakdown of price and non-price factors is still being determined. Please reference Section 3.2.1 Non-Price Requirements in Appendix 1 for a description of the non-price factors NYSERDA is considering requiring for proposals. They include:</p> <ul style="list-style-type: none"> ○ Project Execution Plan ○ Project Team ○ Project Schedule ○ Financing Plan and Project Budget Through Declaration of Commercial Operation ○ Community Engagement Plan ○ Mark-up of Contracts ○ New or Additional Incremental Economic Benefits

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		<ul style="list-style-type: none"> ○ MWBEs, SDVOBs, and Disadvantaged Communities <p>NYSERDA encourages all respondents to the RFI to comment on these non-price factors and suggest any modifications and the rationale for such modifications.</p>
16	<p>What requirements will there be on who can make bids?</p>	<p>NYSERDA is proposing to undertake a two-step RFP for the Build-Ready program, consisting of qualifications, and bid proposal. For more detail, please review Section 3.1 of Appendix 1 of the RFI. Eligibility will be determined in Step 1 of the Auction Process. As currently conceived, the eligibility application will request information on:</p> <ul style="list-style-type: none"> ○ Organization(s) Description and Structure ○ Project Team Description and Structure including Project Team Key Personnel ○ Design Minimum Thresholds ○ Construction Minimum Thresholds ○ Project References ○ Financial Qualifications ○ Typical Quality Assurance Plan ○ Certificate of Insurance <p>NYSERDA encourages all respondents to the RFI to comment on these step 1 qualification and eligibility factors and suggest any modifications and the rationale for such modifications.</p>
17	<p>How would remediation be addressed, if required? Would NYSERDA coordinate w/ NYSDEC or USEPA if needed?</p>	<p>In general, for any Build-Ready site where there is an outstanding remediation issue or remediation has already occurred, Build-Ready is coordinating with the DEC regional office, DEC headquarters, and the EPA Region 2 office to reduce liability concerns for eventual developers. For instance, NYSERDA is securing comfort letters from the EPA, and covenants not to sue from the DEC. In addition, Build-Ready is coordinating permitting with DEC, EPA, and the local permitting authority.</p> <p>For a Build-Ready site that has outstanding remediation needs, Build-Ready is coordinating with DEC, EPA, and our consultants to put forward a remediation strategy for a specific site. Build-Ready will make all information available on the existing remediation issues for a site at the time of auction. For sites that are brownfields, we are also conducting early Brownfield Cleanup Program application activities.</p>

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		<p>For sites where remediation has already been addressed, Build-Ready will make all information available on past remediation efforts and ongoing monitoring and reporting requirements being carried out by the landowner.</p>
18	Who pays for remediation, if required?	<p>For sites that require remediation prior to renewable development activities, the remediation costs will be shared among NYSERDA and the developer, with the developer reimbursing NYSERDA for early phase remediation work (engineering and sampling), and NYSERDA allowing the developer to include late phase remediation costs (capping, removal, disposal, etc.) within their REC price bid. NYSERDA will work to scope such remedial efforts to avoid risk premiums being required in bid proposals to address changes or unknowns in engineering remedies.</p> <p>For each Build-Ready site that requires remediation, NYSERDA is supporting the development of a remediation strategy that will mitigate risks for the landowner and ultimate developer. For example, NYSERDA is helping landowners apply for the New York State's Brownfield Opportunity Area Program and Brownfield Cleanup Program, which provide additional tax credits to the ultimate developer of the project.</p> <p>NYSERDA encourages all respondents to the RFI to comment on this approach and suggest any modifications and the rationale for such modifications.</p>
19	Can a bidder be a solar developer or must developers partner with an EPC and an owner to be eligible to bid?	<p>NYSERDA has tentatively opted to require, as a matter of eligibility, that developers will need to either have the ability to carry out the delivery of the project in-house, or partner and bid with an engineering, procurement and construction (EPC) contractor to provide the full suite of services required to complete any outstanding development milestones, finance, construct, and operate the project. NYSERDA is seeking feedback on this requirement through the RFI process.</p>