

Appendix G

Economic Benefits Claims and Verification

The Economic Benefit Claims process plays an important role in NYSERDA's evaluation of the Proposal, providing the basis for the allocation of 10 points under the RFP.

Section G.1 of this Appendix describes the types of Incremental Economic Benefits that may be claimed; Section G.2 describes the Proposal submission requirements related to claimed Incremental Economic Benefits; and Section G.3 describes the verification process associated with Economic Benefits through the end of the first three (3) years of the Contract Delivery Term that constitute the basis for the contractual provision of "Total Expected Dollars."

As noted in T4RFP21-1, NYSERDA seeks through this procurement to actively support the outcomes envisioned by New York's State's nation-leading climate legislation, the CLCPA, which includes a target of delivering 40 percent of the overall benefits of clean energy and energy efficiency program resources to Disadvantaged Communities and these are prioritized in this RFP.

G.1. Types of Eligible Economic Benefits Claims

Incremental Economic Benefits claims are divided into three categories as below. Each claim can be entered for both the first three (3) Contract Years of the Contract Delivery Term, and for the balance of the Contract Delivery Term following the first three (3) Contract Years. Only the claims related to the first three (3) years of the Contract Delivery Term will be included in Expected Total Dollars for contracting purposes. For the avoidance of doubt, eligible claims may only include expenditures made after January 1, 2021

Category 1: Project-Specific Expenditures

1. Payments for labor-related expenditures for work that is performed in New York State. Examples include gross wages (including employer side payroll tax payments), and benefit costs incurred in association with the employment of construction, rail and port workers, contractors and laborers, operations and maintenance personnel, engineering or environmental service providers, consultants, other employees and financial and legal service providers associated with the Project.
2. Payments for in-State purchases of goods and services. Includes expenditures as a result of:
 - a. The purchase and consumption of local goods and services (including sales tax), such as, but not limited to, food, lodging, vehicles, equipment, fuel; and/or
 - b. The purchase of materials sourced from within New York State 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 State and/or the use of rental equipment or similar supplies sourced within New York State.
3. Payments, rents and taxes paid to local New York State entities. Includes:

- a. New or increased revenues for jurisdictions in New York State from the Contingent Award Notification Date through end of the first three (3) Contract Years of the Contract Delivery Term, including sales and property tax payments, PILOT payments and/or payments under Host Community Agreements;
 - b. Payments intended to mitigate the visual, environmental, historical, cultural or other impacts associated with development, construction, operation or decommissioning of the Project.
4. Financing expenditures (fees to in-state banks related to financing transactions but not the cost of borrowing).
5. Interconnection fees and expenditures, including those paid to NYISO or a New York utility relating to services provided within New York State.
6. Expenditures on the development and construction of the New Transmission may be included as Eligible Economic Benefits; provided, however, that payments for construction labor on the Associated New Transmission Facility may only qualify if the developer of such New Transmission agrees voluntarily to adhere to Sections 18.10 and 18.11 of the Agreement as though it were the Seller under the Agreement.
7. Other expenditures, accompanied by supporting explanation that establishes that such expenditures are specific to the Project and support spending and job creation in New York.

Category 2: Transmission and Community Development Investment Economic Benefits

1. Capital investments by Seller and/or its affiliates in Project-related transmission, other infrastructure, industry supply chain, workforce development, community development, and research and development initiatives in the State that are intended to have an enduring impact on the renewable energy industry and the New York State economy. These Economic Benefits may include:
 - a. Investments in workforce development applicable to future Renewable Energy System and/or Energy Storage development in New York State, such as establishing a training facility, donating key components for training purposes to technical schools in New York State, building of training labs or materials testing facilities. Investments in Industry Growth Activities may be included if they create capabilities to support future projects using similar technology.
 - b. Investments in Disadvantaged Communities and other communities that promote and develop local economies and address economic inequality issues.
 - c. Investment in research and development in New York State applicable to improvements in Renewable Energy System and/or Energy Storage equipment and technology.
 - d. Investments in the development of broadly-applicable wind and solar data (not specific to the Project) or fisheries and wildlife data, that will be made publicly available, and that have beneficial impact to future Renewable Energy System development that would benefit New York State. This category shall include expenditures undertaken pursuant to Exhibit F of the Agreement and approved by NYSERDA as described therein.

- e. Other capital investments accompanied by an explanation demonstrating their expected support of the development of the Renewable Energy System supply chain in New York.

Category 3: Workforce and Community Development Opportunity Activities

1. Workforce development and training initiatives designed for maximum impact to the New York State workforce. These could include:
 - a. Working with New York State based training organizations or institutions to provide:
 - i. In-kind support for the development of training courses for New York State workers; and/or
 - ii. Investment in training facilities; and/or
 - b. Development of registered apprenticeship or internship programs.
2. Actions taken that increase the likelihood that New York State workers will find work on the Project. These could include:
 - a. Effectively communicating the opportunities to workers, training organizations and workforce development programs;
 - b. Recruitment and training of New York low income workers to work on the Project; and/or
 - c. Facilitation of a “just transition” of New York State workers previously employed in conventional generation, manufacturing, construction, or other industries to serve the renewable energy industry.
3. Other actions that provide assistance to Disadvantaged Communities and other communities beyond workforce-related activities. These could include:
 - a) Educational, for primary and secondary school students;
 - b) Health-related services;
 - c) Housing services;
 - d) Transportation services;
 - e) Actions developed by Proposers accompanied by an explanation demonstrating their expected impact on Disadvantaged Communities.

G.2. Proposal Submission

Proposers may claim Incremental Economic Benefits that will accrue to New York State through the first three (3) Contract Years of the Contract Delivery Term. These benefits will form the basis of the Expected Total Dollars. For the purposes of Proposal evaluation, Proposers may additionally claim Incremental Economic Benefits that extend through the Contract Tenor, however such claims will be evaluated based upon the firmness and credibility of the representations that support the likelihood of their achievement.

G.2.1 Offer Data Form

Claims should be made, by category, using the Offer Data Form (Appendix F) with all Claims expressed in nominal dollars (U.S.) at the time of Proposal submission.

In the Offer Data Form, Proposers should provide the number of jobs expressed in **unique direct jobs and direct FTE-years**, and the expected average annual salary and/or total compensation as well as the direct benefits associated with the additional FTEs in New York State. In the narrative of their Economic Benefits Plan, Proposers are also welcome to provide figures related to indirect jobs and induced jobs, but for the avoidance of doubt, **only direct** Economic Benefit Claims will count toward the project's evaluation and should feature in the Offer Data Form.

G.2.2 Economic Benefits Plan

Proposers must support their Claims through an Economic Benefits Plan that provides a narrative accompaniment to the Offer Data Form and that must further include detailed descriptions to match those Economic Benefits Claims submitted in the Offer Data Form per the template in Table G.1 below.

Table G.1

| EB[1/2/3] ID | Detailed Description |
|--------------|----------------------|
| | |

Where Category 3 Claims are relevant to the Proposal, the Economic Benefits Plan should include detailed descriptions of the actions to be taken and the value of those actions, including:

- How a Proposer will identify economic development opportunities for New York State based businesses, and how the Proposer will engage the business community to realize opportunity. The Economic Benefits Plan should further describe the qualitative value of the actions the Proposer intends to take.
- How the Proposer intends to source labor and build clear career pipelines for job growth in New York State, as well as identify partnerships with workforce partners. Such partnerships can be through intermediaries, local workforce development boards or registered apprenticeship programs), universities, research institutions, or through other stakeholders. The Economic Benefits Plan should further describe the qualitative value of the actions the Proposer intends to take.

In addition, the Proposer should provide a **Communities Engagement Plan**, that describes activities that will be undertaken to support the development of Disadvantaged Communities and other communities in New York State.

G.2.3 Economic Benefits Verification Plan

Proposers must provide an Economic Benefits Verification Plan specifying how the claimed Incremental Economic Benefits will be documented for contract compliance. Specifically, Proposers should include a description or list of the documents, reports, contracts, invoices, or other information that they

anticipate submitting to allow NYSERDA to verify the actual economic benefits that accrue to New York State. Such description or list need not be exhaustive and may be amended and refined at the election of the Proposer at any time prior to submission of the Economic Benefits Report. A section of the Economic Benefits Report shall state the final description and/or list of documentation used for measurement and verification of the economic benefits claimed.

G.3. Post-Award Verification

G.3.1 Economic Benefits Report

The objective of the Economic Benefits Report is to ensure that Proposers are accountable for their Economic Benefits claims through the first three (3) years of the Contract Delivery Term, thereby encouraging Proposers to claim realistic estimates of spending and impacts in their Proposals.

Within one hundred twenty (120) days of the third anniversary of the Commercial Operation Date, Seller will be required to submit the Economic Benefits Report including documentation demonstrating the actual economic benefits that resulted from the construction and operation of the Project and through the end of the first three (3) years of the Contract Delivery Term. Such report should include sufficient records and documents relating to employment, purchases, and other payments necessary to demonstrate the economic benefits created by the Project under the categories listed in the Economic Benefits Plan.

G.3.2 Independent Verification

The verification requirement is intended to ensure independent validation of the accrual of Economic Benefits. Verification conducted by qualified professionals according to professional standards is intended to keep the verification process fair, transparent and streamlined.

The verification process for the Seller, as further described in Exhibit F of the Agreement, is as follows:

1. Thirty (30) months after the beginning of the Contract Delivery Term, Seller will provide the name of its selected Independent CPA to NYSERDA. Upon engagement, Seller will provide the following to the Independent CPA:
 - a. Proposal submitted by Seller under this RFP, including Offer Data Form and Economic Benefits Plan, and supporting documentation;
 - b. NYSERDA's confirmation to Seller of the Expected Total Dollars;
 - c. Copies of the RFP and Agreement for reference.
2. Seller will prepare an Economic Benefits Report documenting the total dollar amount of actual Economic Benefits accrued to New York in each of Economic Benefits Category 1 and Category 2, and the total quantity of actual Economic Benefits activities and commitments fulfilled for Economic Benefits Category 3, as a result of the development, construction, modification, and operation of the Project from the Award Notification Date through the end of the first three (3) years of the Contract Delivery Term. The Economic Benefits Report should document

expenditures (for Economic Benefits Categories 1 and 2) and activities and commitments fulfilled (for Economic Benefits Category 3), as described in the RFP and herein.

3. Seller will provide its Economic Benefits Report to the Independent CPA, collect all supporting documentation to support the claimed expenses in the Economic Benefits Report, and be prepared to submit all documentation requested by the Independent CPA as needed.
4. The Independent CPA will submit the audited Economic Benefits Report to NYSERDA within one hundred twenty (120) days after the third anniversary of the commencement of the Contract Delivery Term.

NYSERDA will examine the Economic Benefits Report and audited report, and calculate the Verified Total Dollars for total New York State benefits. NYSERDA will then compare the Verified Total Dollars, in total, against the Expected Total Dollars, and communicate with seller in accordance with Section 12.01 of the Agreement. Should the total Verified Total Dollars for either total New York State benefits or the subtotal for Disadvantaged Communities benefits fail to total at least 85% of the Expected Total Dollars NYSERDA may enforce remedy(ies) pursuant to Section 12.02 of the Agreement.