



NYSERDA ORECRFP23-1



# Purchase of Offshore Wind Renewable Energy Credits

Submitted by Empire Offshore Wind LLC- January 25, 2024

Section 10 - Economic Benefits Plan EMP-810-Zone J-2



Powering New York. Together







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## Attachments

Reference	Description
10.A	[REDACTED]
10.B	[REDACTED]



## 10. ECONOMIC BENEFITS PLAN

*The Submission must include both Confidential and Public versions of the Economic Benefits Plan. The Economic Benefits Plan should begin with a two-page summary of the Proposer’s approach to Incremental Economic Benefits, highlighting key expenditures, commitments, and partnerships. Following the summary, the Economic Benefits Plan should present a summary table using the format shown in Table 1 for each Proposal. The next section of the Economic Benefits Plan should present descriptive and supporting information for each of the claims presented in Part V of the Offer Data Form using the template provided in Section B.1.B of Appendix B.1, specifically Table B.1.1.*

*The purpose of the Economic Benefits Plan is (i) to allow the Proposer to document its approach to fulfilling the claims that are provided in the Offer Data Form, (ii) to allow the Proposer to explain and justify its Incremental Economic Benefits claims, (iii) to help NYSERDA assess the credibility of the Incremental Economic Benefits claimed in the Offer Data Form, and (iv) to allow the Proposer to capture and explain perceived broader impacts and causal sequence of economic benefits that are otherwise not captured in the Offer Data Form.*

*The Scoring Committee will consider any supporting documentation that the Proposer provides in the Economic Benefits Plan that describes the basis for the values presented (for example, a third-party study from a reputable consulting company) in determining the firmness and credibility of the economic benefits claims. If such documentation is provided, it must be attached to the Economic Benefits Plan. The Economic Benefits Plan must address the New York Supplier Opportunity, and Verification Plan for each claim and further explained in Appendix B.1.*

### 10.1 Economic Benefits Summary

From the day that they acquired their first lease area off the coast of New York, Empire Wind and its affiliates have placed a priority on ensuring that the Empire Wind Project delivers tangible economic benefits to New Yorkers and contributes to New York’s objective of establishing itself as a hub for the growing offshore wind industry. As the closest lease area to New York, the Empire Wind Project is uniquely positioned not only to deliver clean energy to power New York, but to partner with NYSERDA, key contractors, and stakeholders to invest in strengthening New York’s already world-class workforce and infrastructure to make them capable of seizing the opportunities of a new, decarbonized economy.

NYSERDA’s selection of the first phase of the Empire Wind Project (“EW1” or “Project”) as part of its first offshore wind solicitation represented an important step towards achieving these objectives. At the time of execution of its initial purchase and sale agreement (“PSA”) with NYSERDA, Empire Wind estimated that the development, construction, and operation of the Project would generate approximately \$877 million in economic benefits through the third year of the delivery term (“Contract Delivery Term”). Since executing that PSA, Empire Wind has acted in good faith to meet these commitments by working with contractors, suppliers, and



stakeholders to source goods, services, and materials from New York when practicable and invest in building an offshore wind supply chain in New York. Even when a New York business has been unable to fulfill a particular contract or scope of work, Empire Wind has required its contractors and suppliers to take steps to maximize the opportunities created for New York businesses and workers, including minority/and or women-owned businesses (“MWBE”), service-disabled veteran owned businesses (“SDVOB”), and members of Disadvantaged Communities.

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

With Federal and State permitting processes nearing completion, interconnection agreements secured, and leases in place, Empire Wind, its affiliates, and contractors are ready to get to work constructing the Project and making investments that will inject billions of dollars in spending into New York, support the development of creating a world class offshore wind supply chain and clean energy workforce, and unlock new possibilities for members of Disadvantaged Communities and other underserved groups.



[REDACTED]

Further detail regarding the source of these economic benefits commitments is provided in the following sections. Additionally, consistent with Appendix B.1 of ORECRFP23-1, Empire Wind is including at the end of this plan a table providing detail on its economic benefit claims.

## 10.2 Supply Chain Investments

One of the most significant drivers of economic benefits during both the short-term and long-

[REDACTED]

---

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]



[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]



[Redacted text block]

[Redacted text block]

[Redacted text block]

### 10.3 Disadvantaged Community Investments

[Redacted text block]

[Redacted text block]



[Redacted text block]

### 10.3.1 Capital Improvements

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Large redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]



[Redacted text block]



[REDACTED]

[REDACTED]

[REDACTED]



### 10.3.2 SBMT Project Office

In 2022, Empire Wind and its affiliates established an office in Brooklyn, New York

[REDACTED]

### 10.3.3 Transmission and Interconnection

Empire Wind's capital investments in

[REDACTED]

These investments will facilitate the delivery of clean, renewable energy to support the sustainability and resiliency of Brooklyn's Sunset Park neighborhood.

### 10.3.4 Lease Rent and Taxes

[REDACTED]

[REDACTED]



[REDACTED]

### 10.3.5 Spending on Workforce and Community Development

Empire Wind and its affiliates also anticipate making additional investments in programs and initiatives that will provide Disadvantaged Community members the resources that they need to capture the myriad economic opportunities that will be generated by the Project. A further description of these investments is provided below.

### 10.4 Incremental Economic Benefits

As detailed further in the offer form being submitted with this proposal, Empire Wind currently anticipates that the development, construction, operation, and maintenance of the Project will generate

[REDACTED]

[REDACTED]

through the end of the third year of the Contract Delivery Term as the Project transitions into the operational phase.

[REDACTED]

[REDACTED]

\_\_\_\_\_

[REDACTED]



This investment would help spur the growth of the capital region, creating hundreds of jobs both



### 10.4.2 Labor Dollars

As noted above, Empire Wind’s procurement strategy has prioritized contractors and businesses that are willing to commit to using New York workers and businesses to support the Project. As



a result of these efforts, Empire Wind anticipates that its contractors (and subcontractors) will employ a large number of New York workers in connection with the construction, operation, and maintenance of the Project. This will include workers employed by New York businesses as well as foreign companies that have agreed to employ New York workers in connection with the Project.

[REDACTED]

[REDACTED]

[REDACTED]

### 10.4.3 MWBE and SDVOB Dollars

Empire Wind anticipates that the construction of the Project will generate a [REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10.4.4 U.S. Iron and Steel

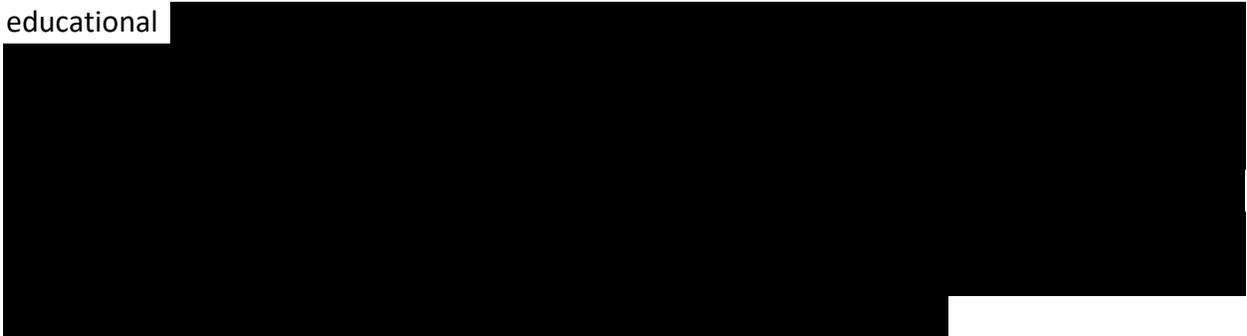
Empire Wind and its contractors are making commercially reasonable efforts to maximize the U.S. iron and steel used in connection with the construction of the Project while also maintaining the existing Project timeline. Empire Wind has had extensive meetings with manufacturers of offshore wind components and U.S.-based steel producers to identify opportunities to use U.S. iron and steel in the manufacture of components for the Empire Wind Project.



## 10.4.5 Other Economic Benefits

### *Workforce and Community Development Initiatives*

As described in greater detail in the Jobs and Workforce Development Plan being submitted with this proposal, Empire Wind is making an array of investments that are designed to provide educational



- **Offshore Wind Ecosystem Fund:** 
- **Offshore Wind Learning Center:** Empire Wind is in the process of establishing an Offshore Wind Learning Center in partnership with NYCEDC as part of its development of SBMT. The Learning Center will conduct offshore wind educational outreach to community stakeholders, including but not limited to K-12 students from NYC public Schools, participants in OSW educational programming, and unaffiliated adults interested in entering the industry. The Learning Center will be located in Industry City in Sunset Park and will be hosted and maintained by Empire Wind and its affiliates for at least 10 years. It will directly support impacted New Yorkers from disadvantaged communities by prioritizing offshore wind education and access to workforce and business opportunities.



- **Offshore Wind Innovation Hub:** The Innovation Hub was developed in partnership with New York University’s (“NYU”) Urban Futures Lab, National Offshore Wind Research and Development Consortium, and the NYCEDC. The objective of the Hub is to accelerate start-ups and guide them into the wind industry through a curriculum managed by NYU, provide investor networking opportunities, and industry mentorship from leading industry professionals. The Hub is located in Sunset Park’s Industry City and serves as a site for offshore wind programming and a center for the industry’s innovation ecosystem.  
[REDACTED]
- **Offshore Wind (OSW) NYC Waterfront Pathways Program:** Empire Wind has invested [REDACTED] in NYCEDC’s Offshore Wind NYC Waterfront Pathways Program, a capacity building program for minority-owned, women-owned, and disadvantaged business enterprises (“MWDBEs”) in the maritime and offshore wind industry. NYCEDC developed the program to counter disparities in public procurement by increasing opportunities for MWDBEs in the OSW and waterfront industries.

*Economic Benefits Not Already Captured*

*Expenditures on In-State Goods and Services*

In addition to the expenditures described above, Empire Wind and its affiliates will make significant expenditures associated with sourcing goods, services, commodities, and materials in New York. These investments will include:

- [REDACTED]
- [REDACTED]
- [REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

### Fisheries Mitigation and Environmental Monitoring

Empire Wind anticipates spending a total of [REDACTED] in connection with a fish stock assessment fund and environmental monitoring fund that it plans to create if selected through this solicitation consistent with the requirements of Section 12.10 of the PSA.

### Wildlife Conservation Society

Empire Wind partnered with the Wildlife Conservation Society eNGO which is headquartered at the Bronx Zoo in 2019 to deploy 2 Passive Acoustic Monitoring buoys in the Empire Wind lease area. This was done to investigate the temporal/spatial presence of marine mammals in the lease area, inform real-time monitoring and mitigation measures during construction and to monitor post-construction marine mammal activity.

[REDACTED]

### Land Payments, Rents & Taxes

Aside from the procurement and supply chain developments already realized by New York State, Empire Wind has already benefitted local communities through the payment of local taxes and rents. Examples of this include approximatel

[REDACTED]

Empire Wind and its affiliates also will pay significant taxes in connection with the Project over the life of the Project.

[REDACTED]



[REDACTED]

## Financing Fees

Empire Wind will incur financing fees payable to New York banks in connection with the financing described in the financing plan being submitted with this proposal. These fees are separate from the costs of borrowing and include fees to financial advisors, upfront fees on bank loans, fees to banks for hedging, and transaction costs. [REDACTED]

[REDACTED]

## 10.5 Verification And Documentation

It is expected that the verification of the dollars claimed as economic benefits will generally follow the requirements of Exhibit I of the PSA. However, other methods and documentation may become apparent as the contract evolves and Empire Wind commits to work in good faith to document and verify the economic benefits claimed in accordance with the terms set out in the PSA.

### 10.5.1 Generally

As a general matter, most of the contracts already entered into with Tier 1 Suppliers involve a “lump sum” payment to the supplier that is intended to cover the full cost of providing the relevant goods or services. The primary documentation that will be used to verify the value of lump sum contracts are the invoices showing the amounts paid by Empire Wind to Tier 1 Suppliers with principal places of businesses in New York, where the work at issue is performed within New York, or where there otherwise is a nexus with, or benefit to, New York.

In the case of Tier 1 Suppliers that source goods, services, or material from within New York, but that do not have a principal place of business in New York or do not perform work within the state, Empire Wind will require the Tier 1 Supplier to certify the quantity of the invoice that represents the portion associated with goods, services, or material sourced from within New York.

In the event that Empire Wind enters into a contract with a variable compensation package (*i.e.*, where the compensation varies based on unit rates or some other determinant), Empire Wind will document economic benefits in the same way as for lump sum contracts and will endeavor to provide additional documentation such as invoices from sub-contractors/suppliers and/or time sheets for services.



## 10.5.2 Supply Chain and Disadvantaged Community Commitments

[Redacted content]

[Redacted content]

### Other Economic Benefit Subcategories

Empire Wind anticipates documenting spending in subcategories by providing documentation and information that is reasonably sufficient to demonstrate that the expenditure qualifies as an expenditure in the relevant subcategory.

\_\_\_\_\_

[Redacted content]

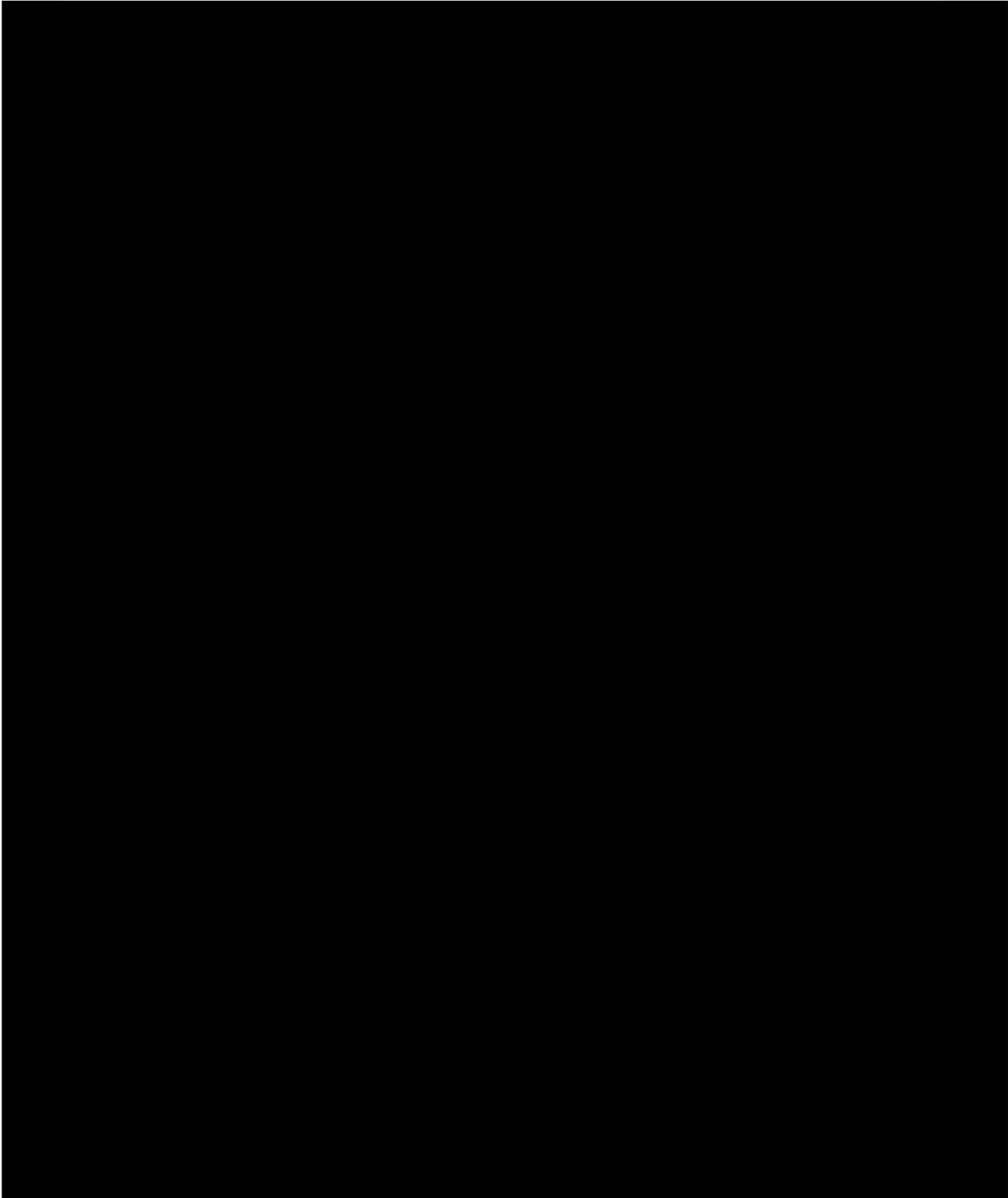
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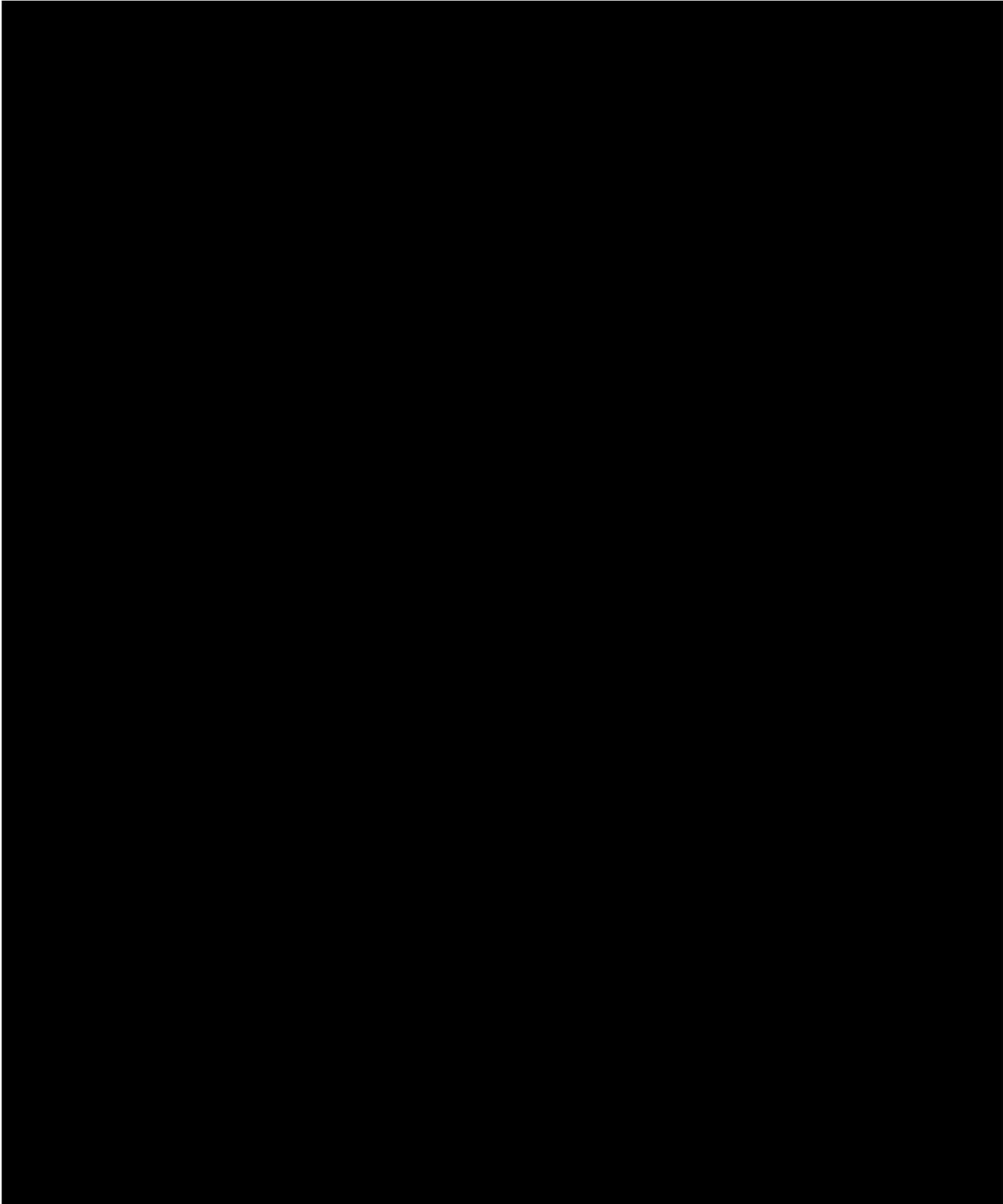


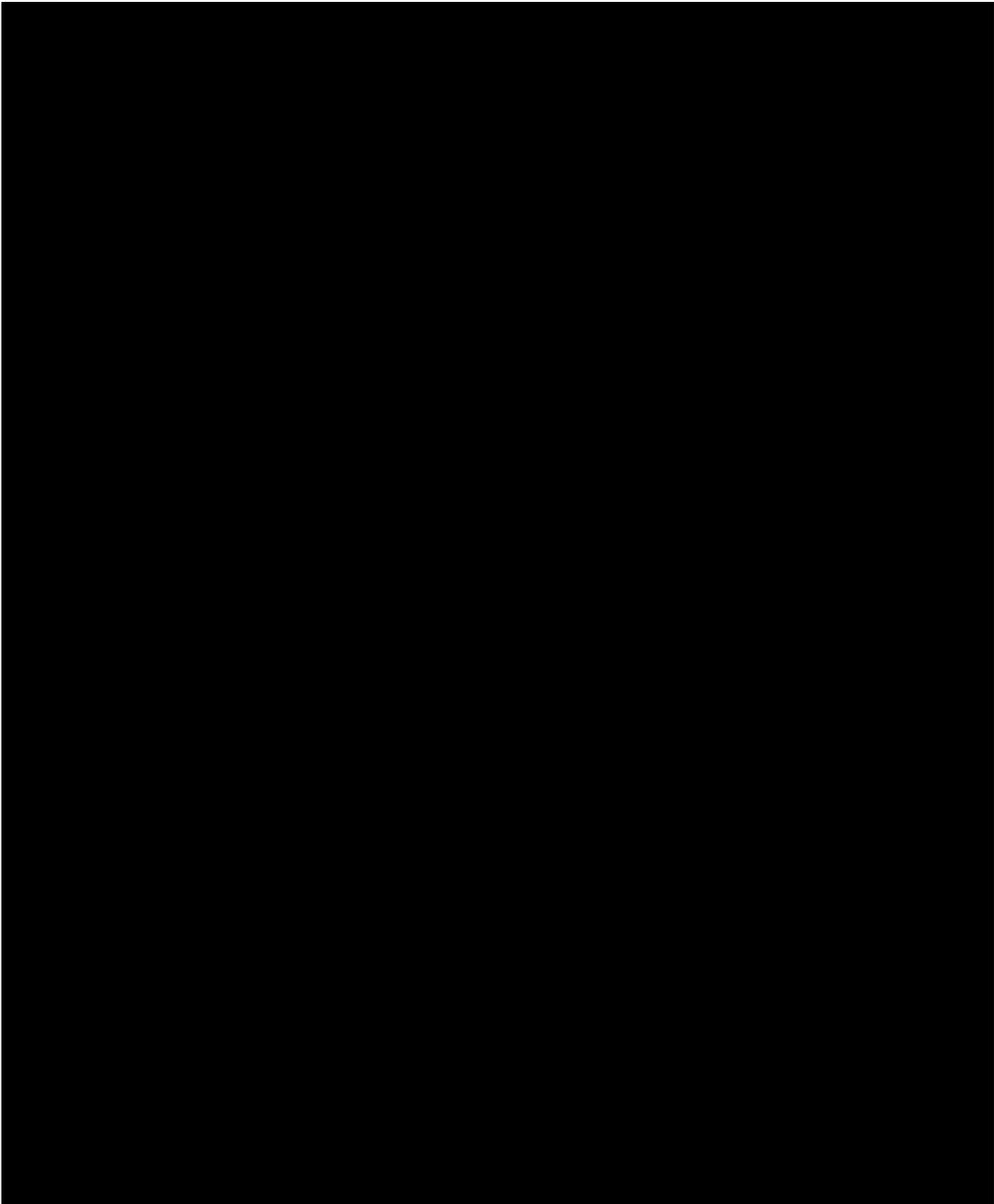
## 10.6 Detail on Economic Benefits Claims

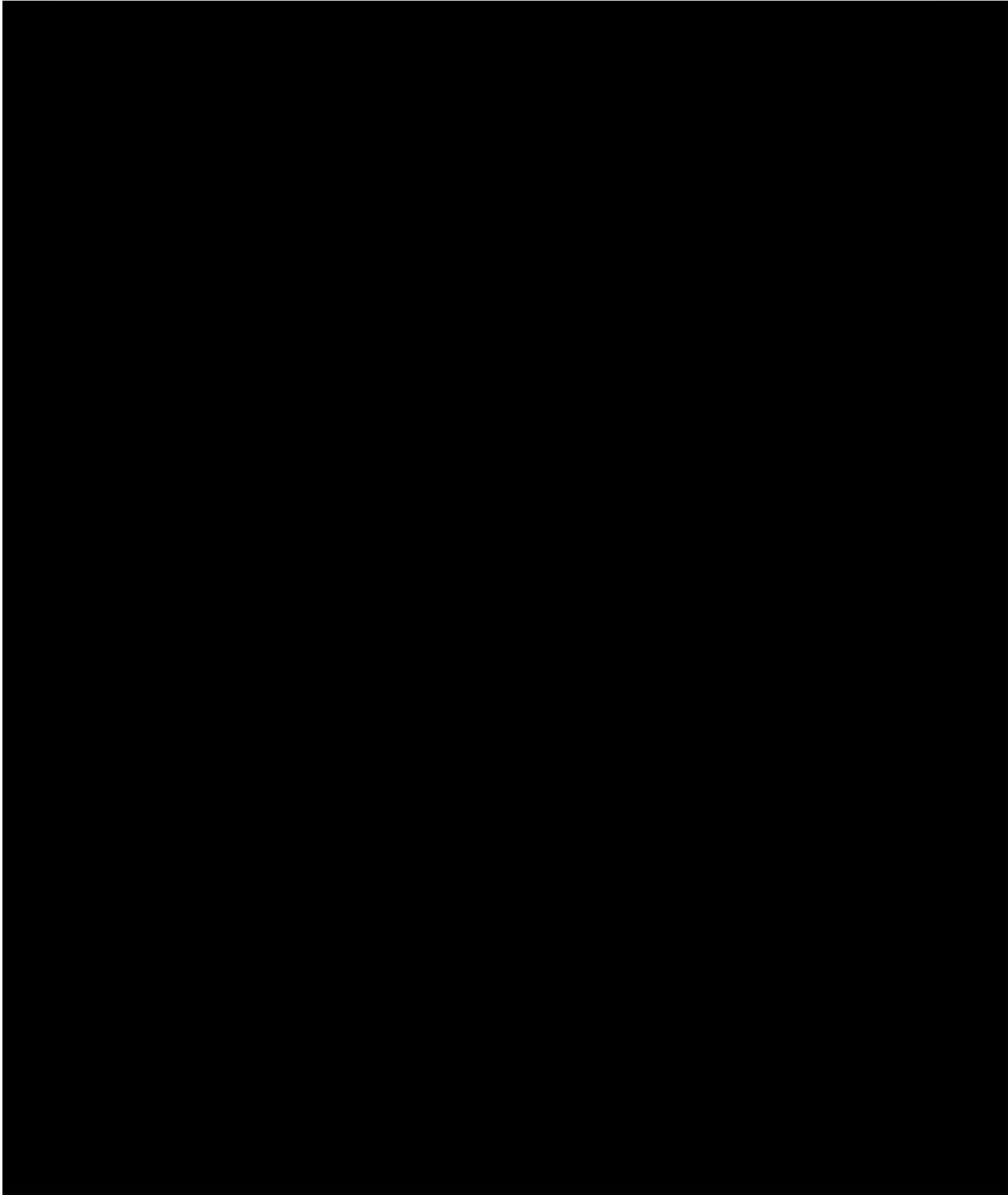
The table below provides detail regarding the claimed economic benefits in a format consistent with Table B.1.1 of Appendix B-1 of ORECRFP23-1.

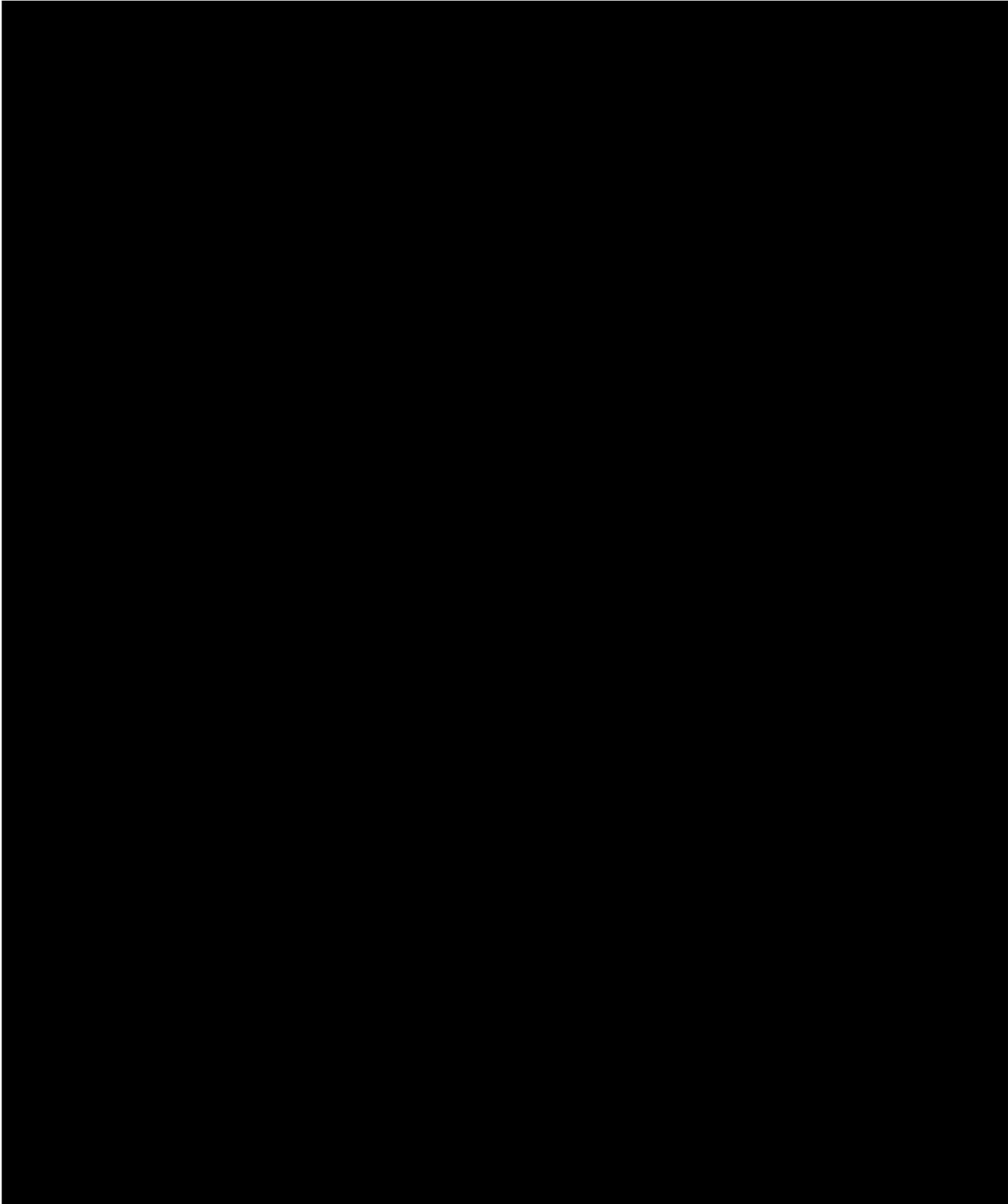


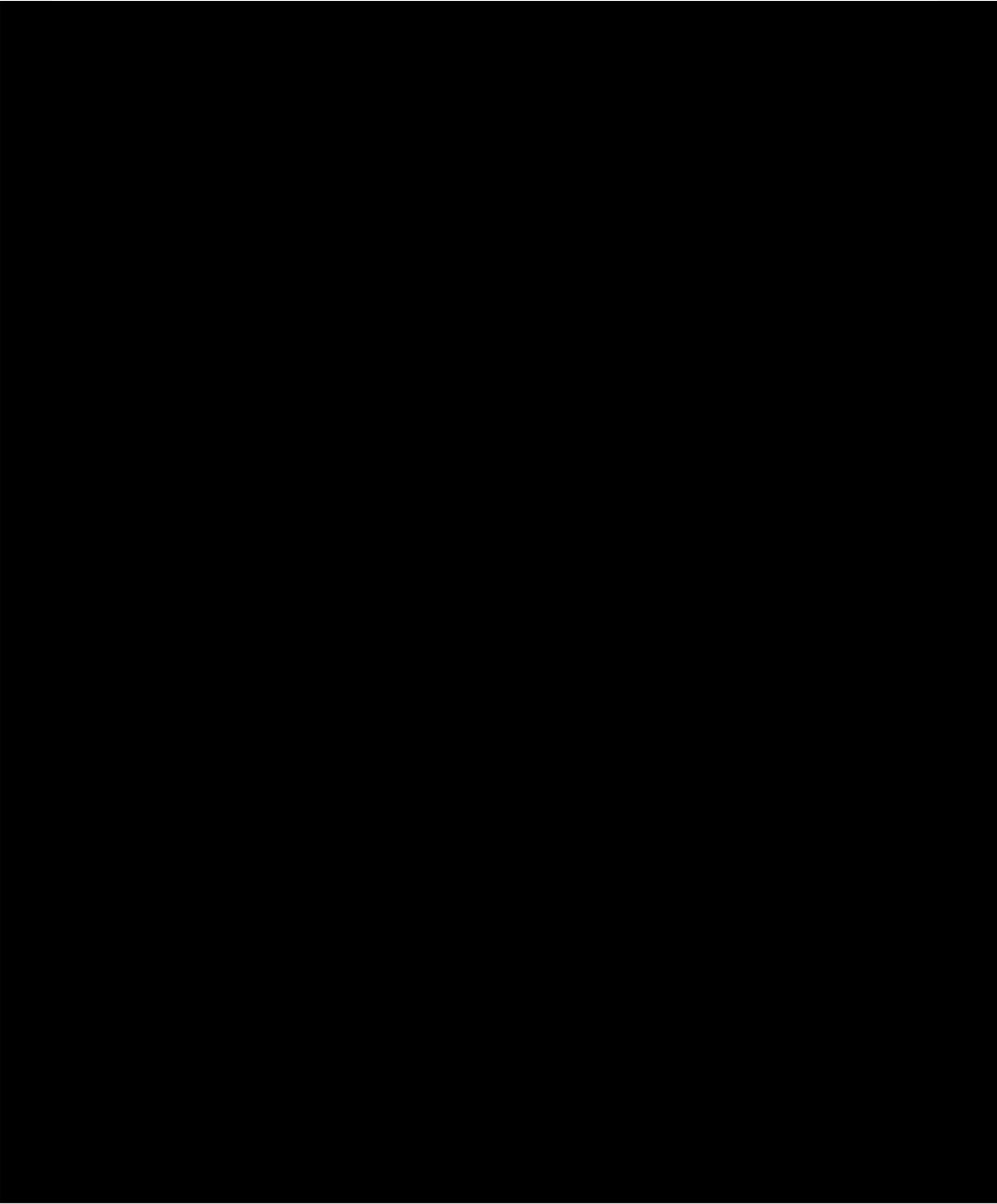


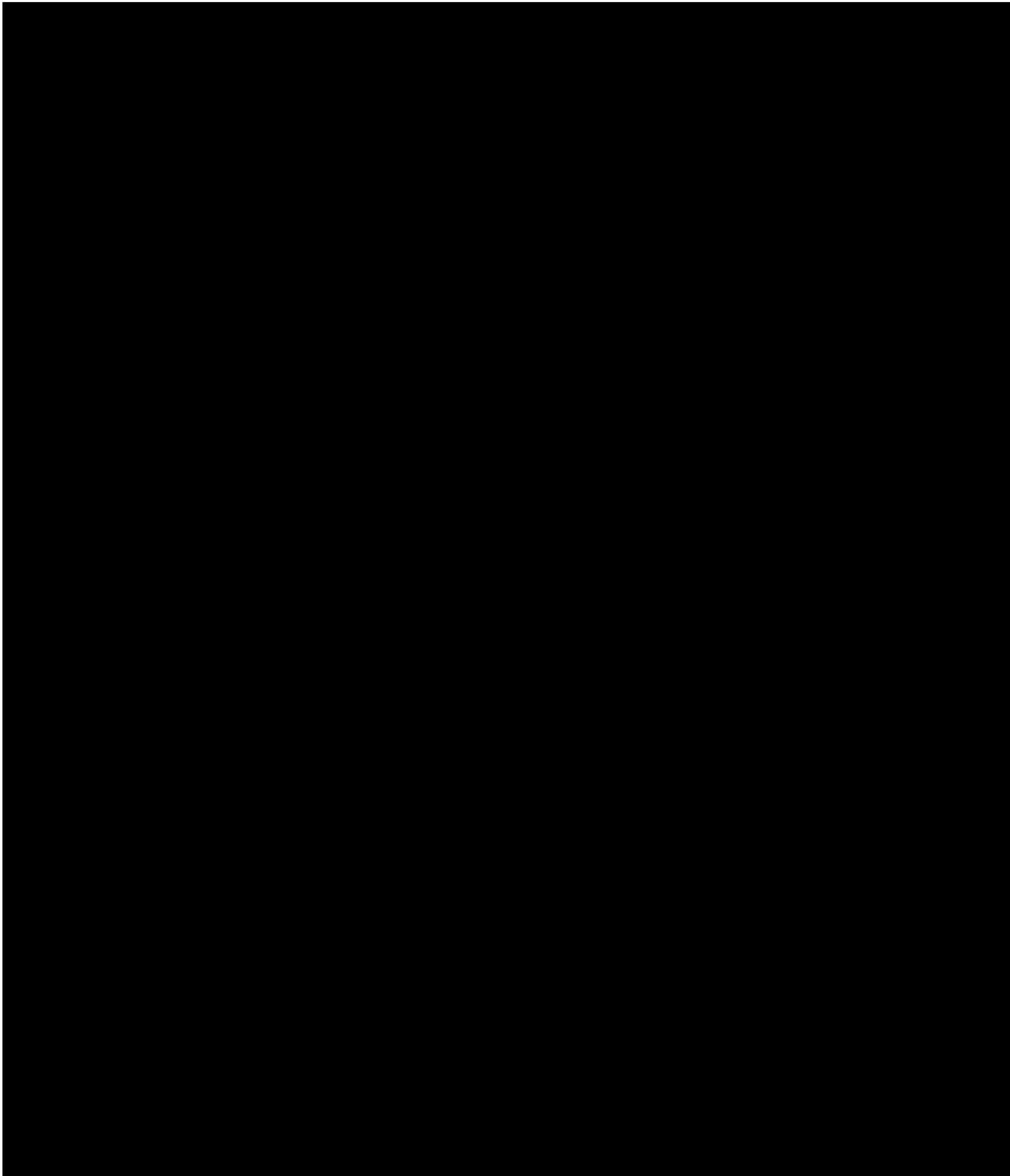


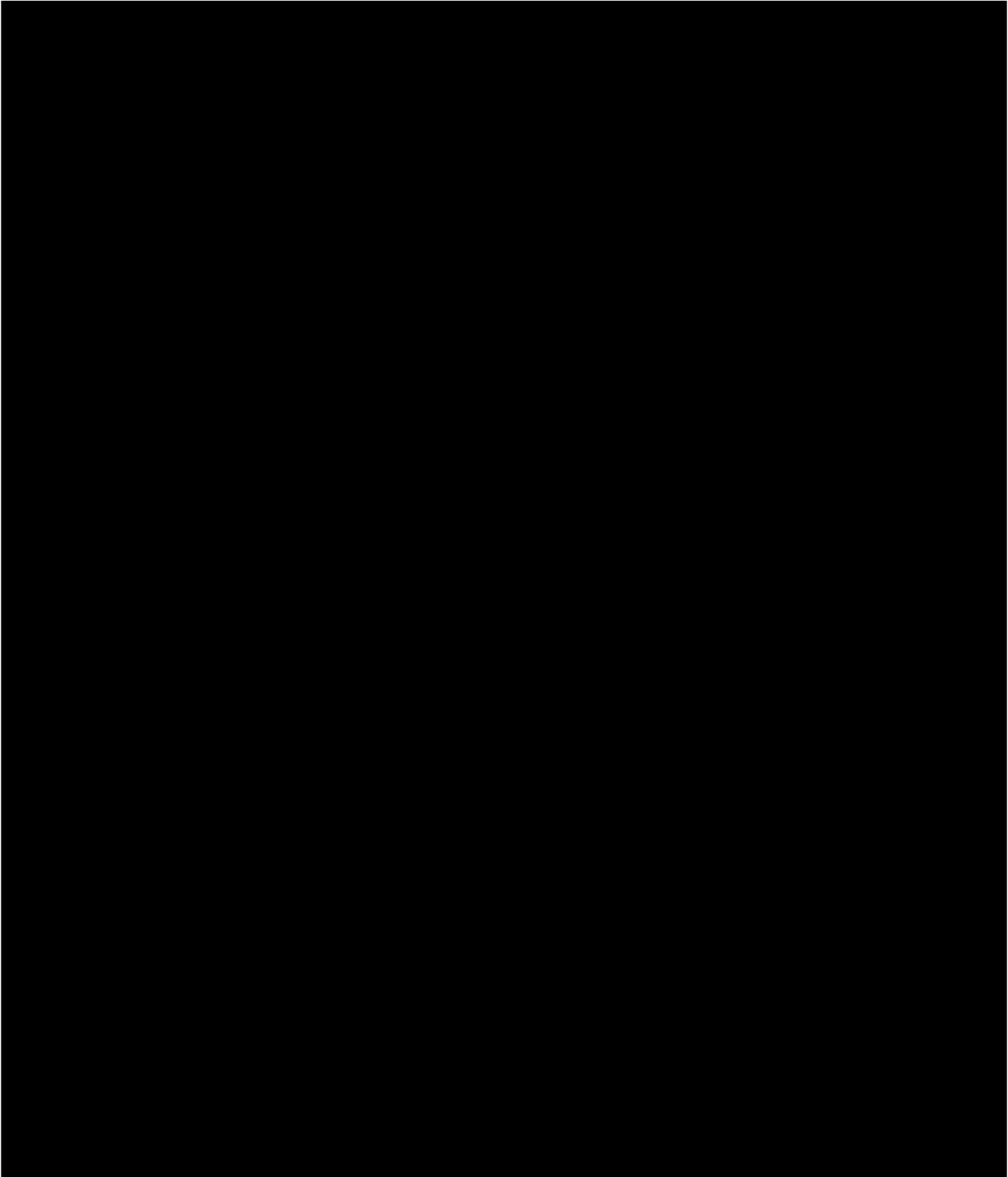


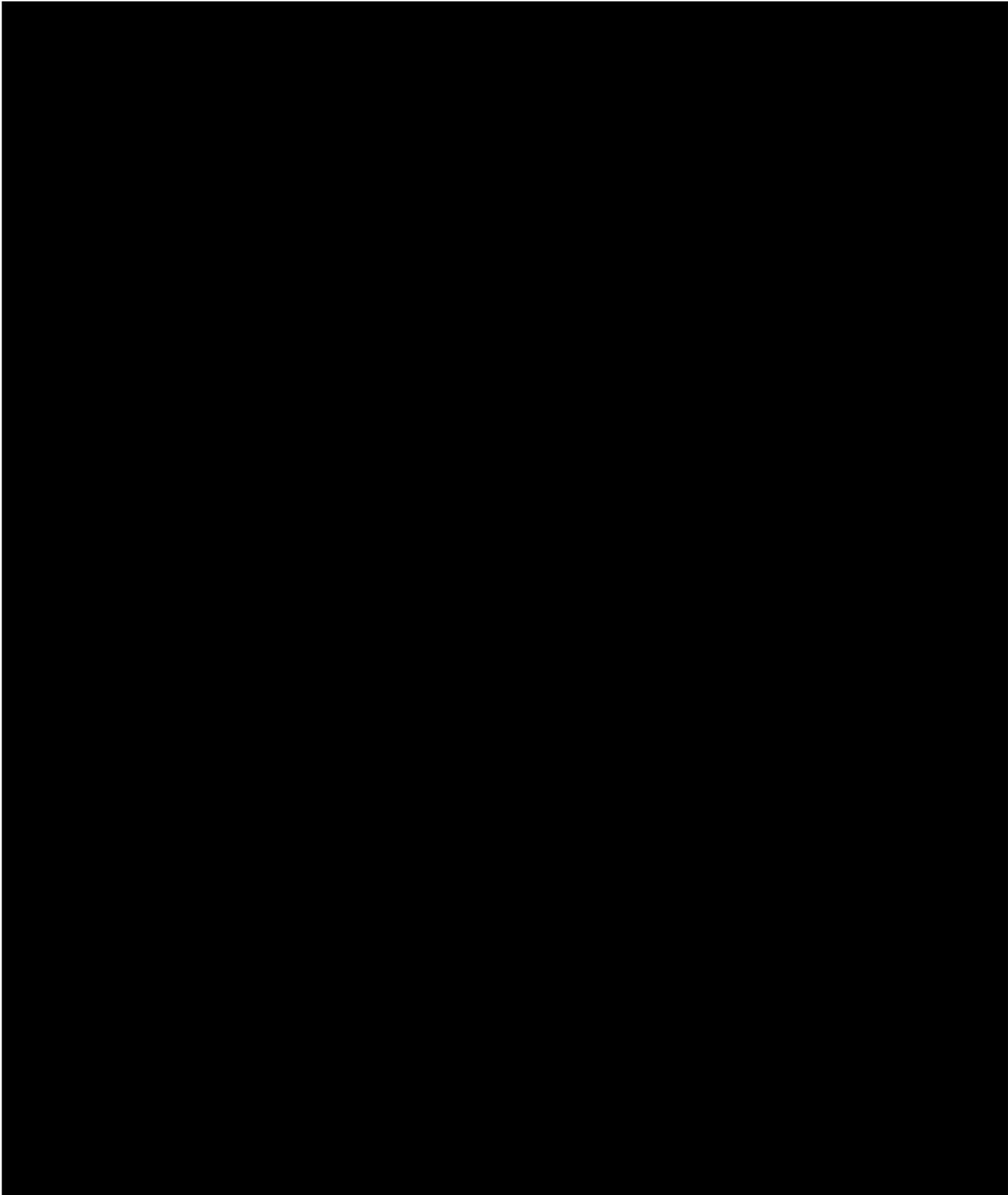


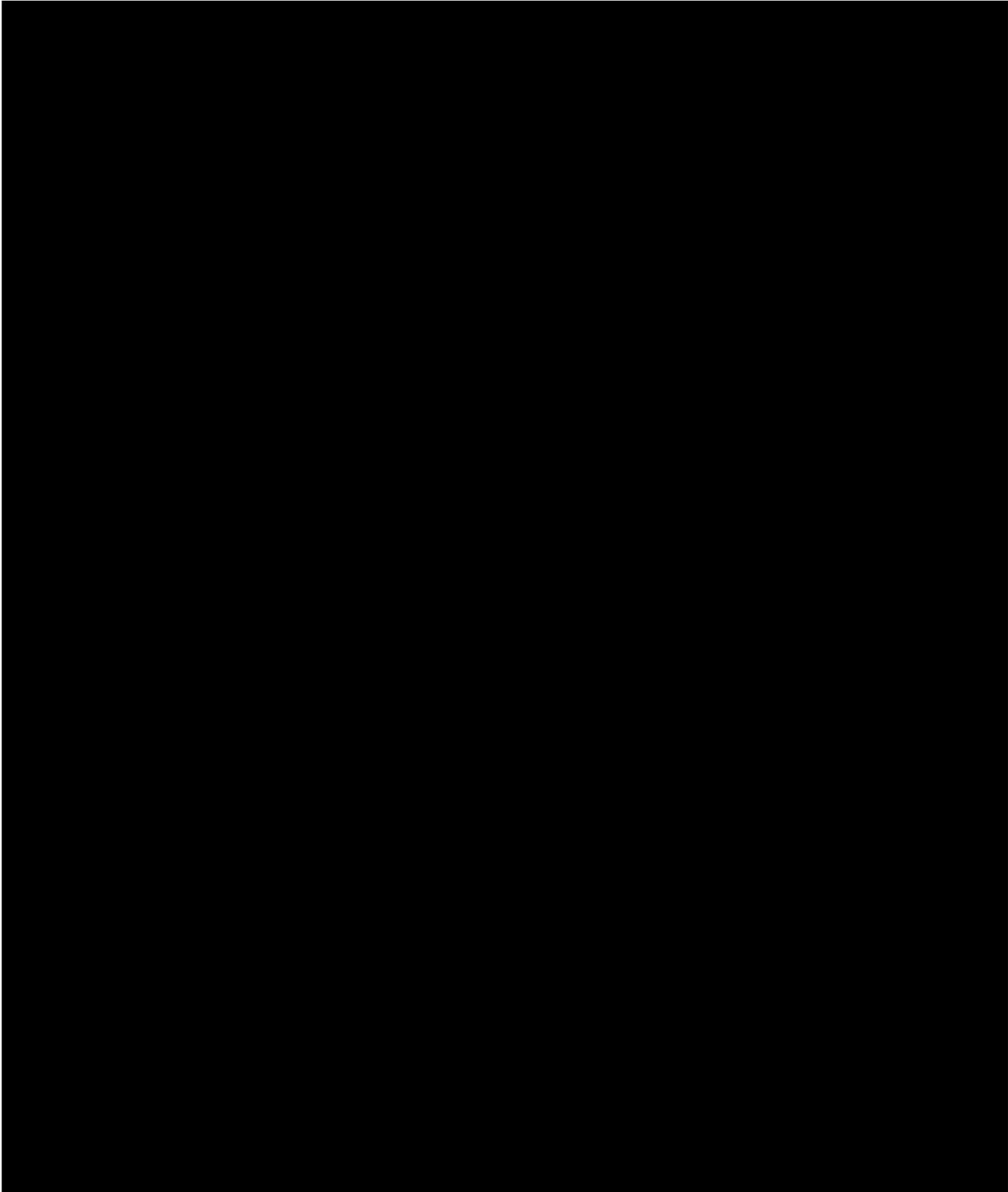


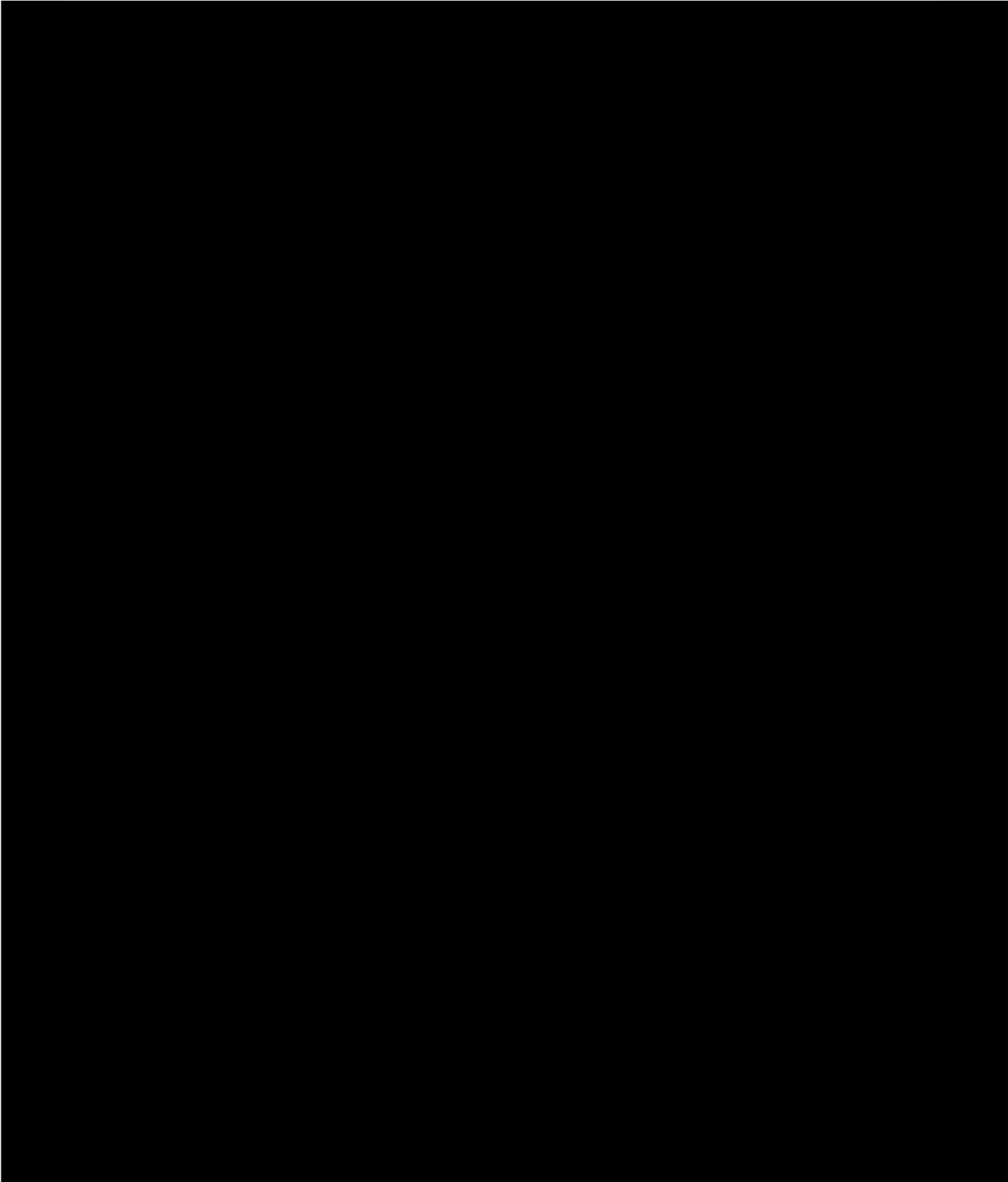


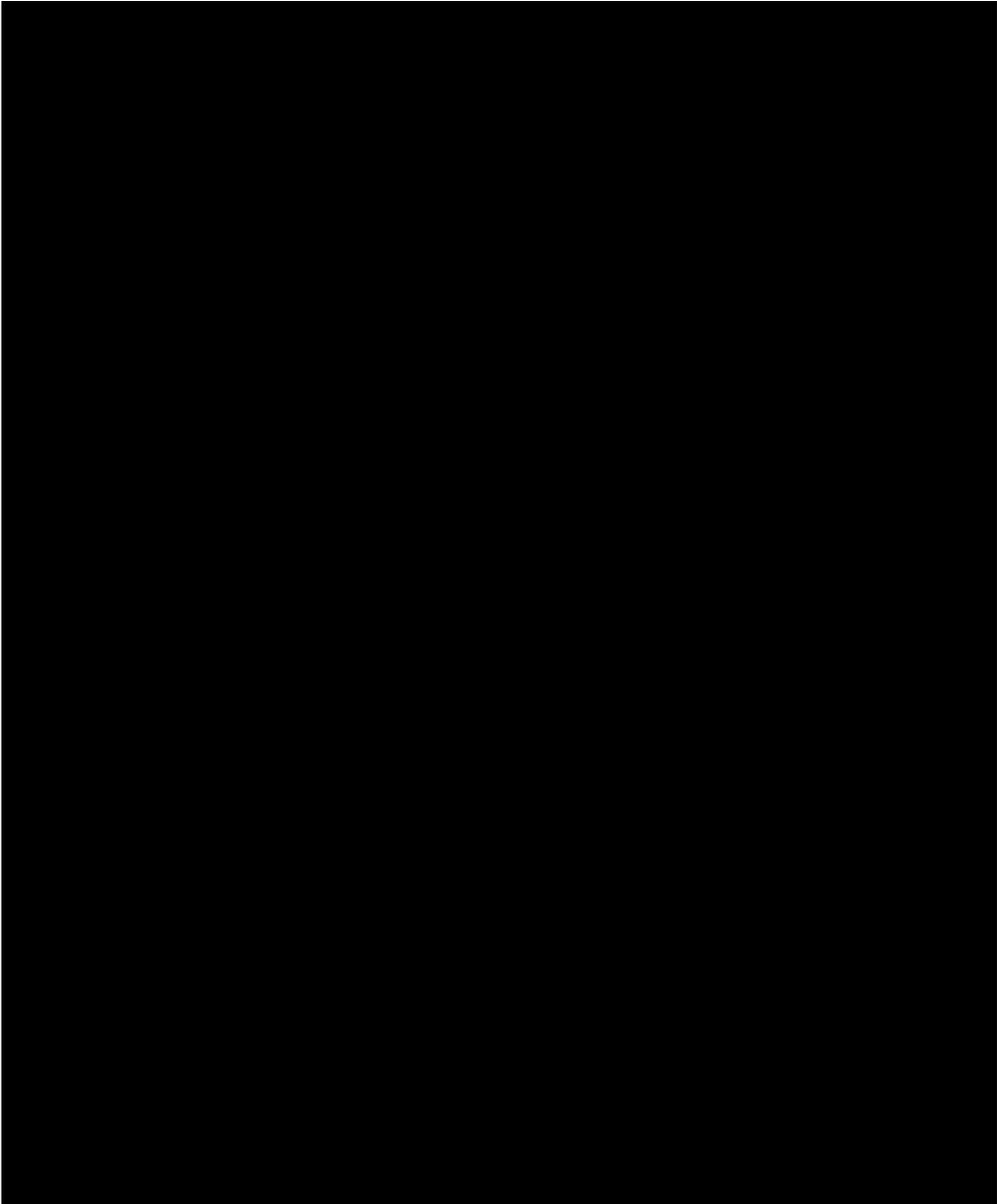


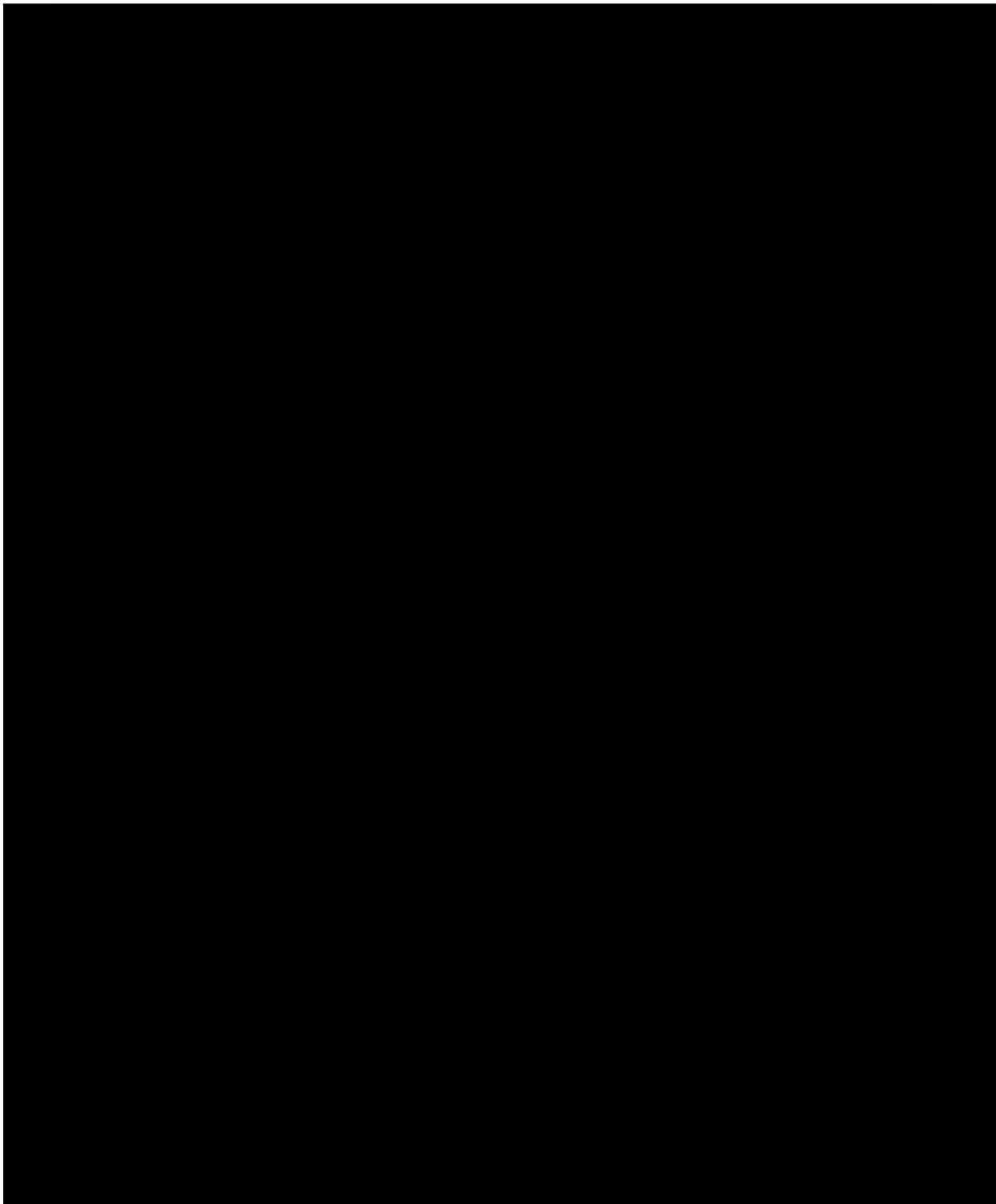


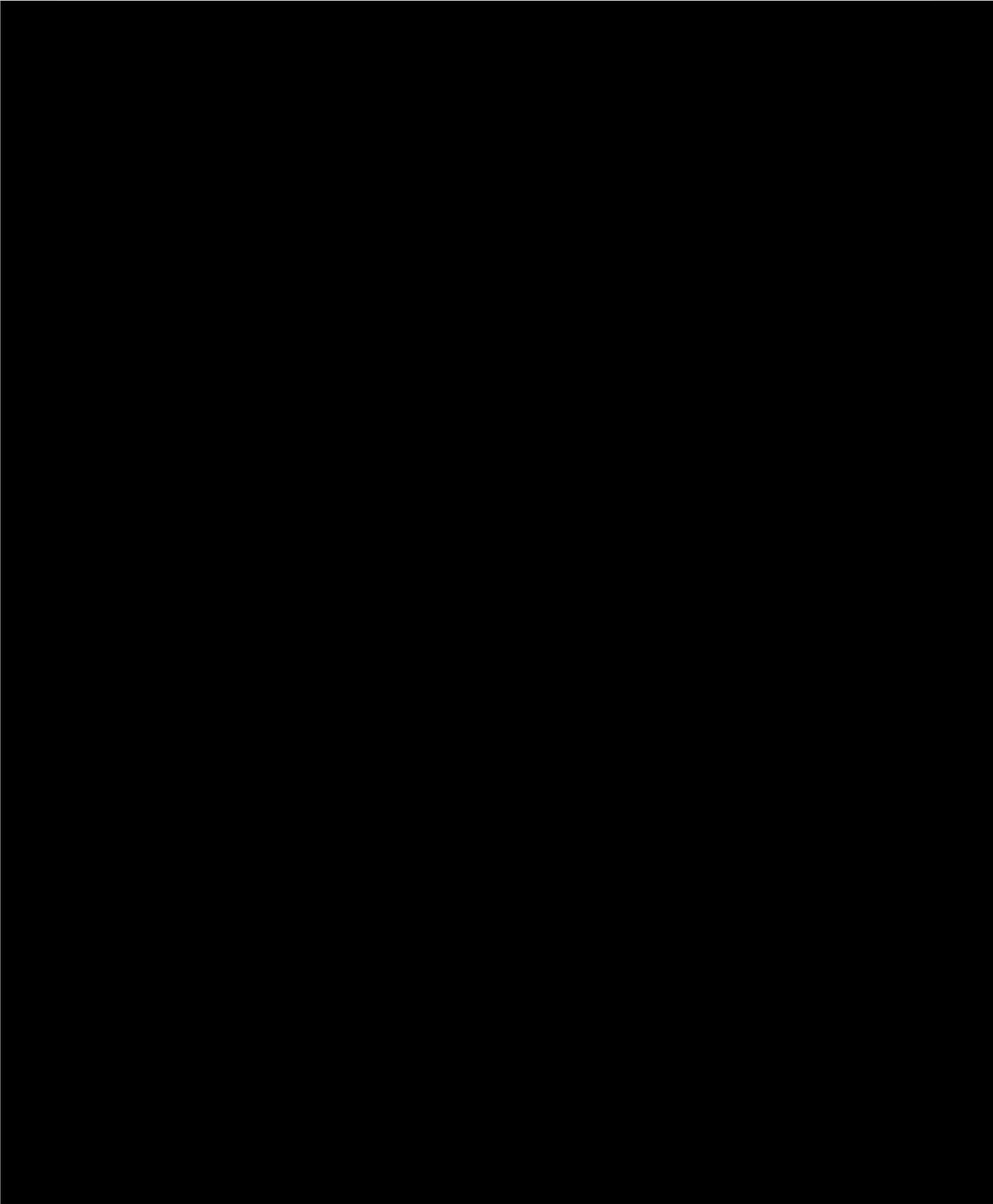


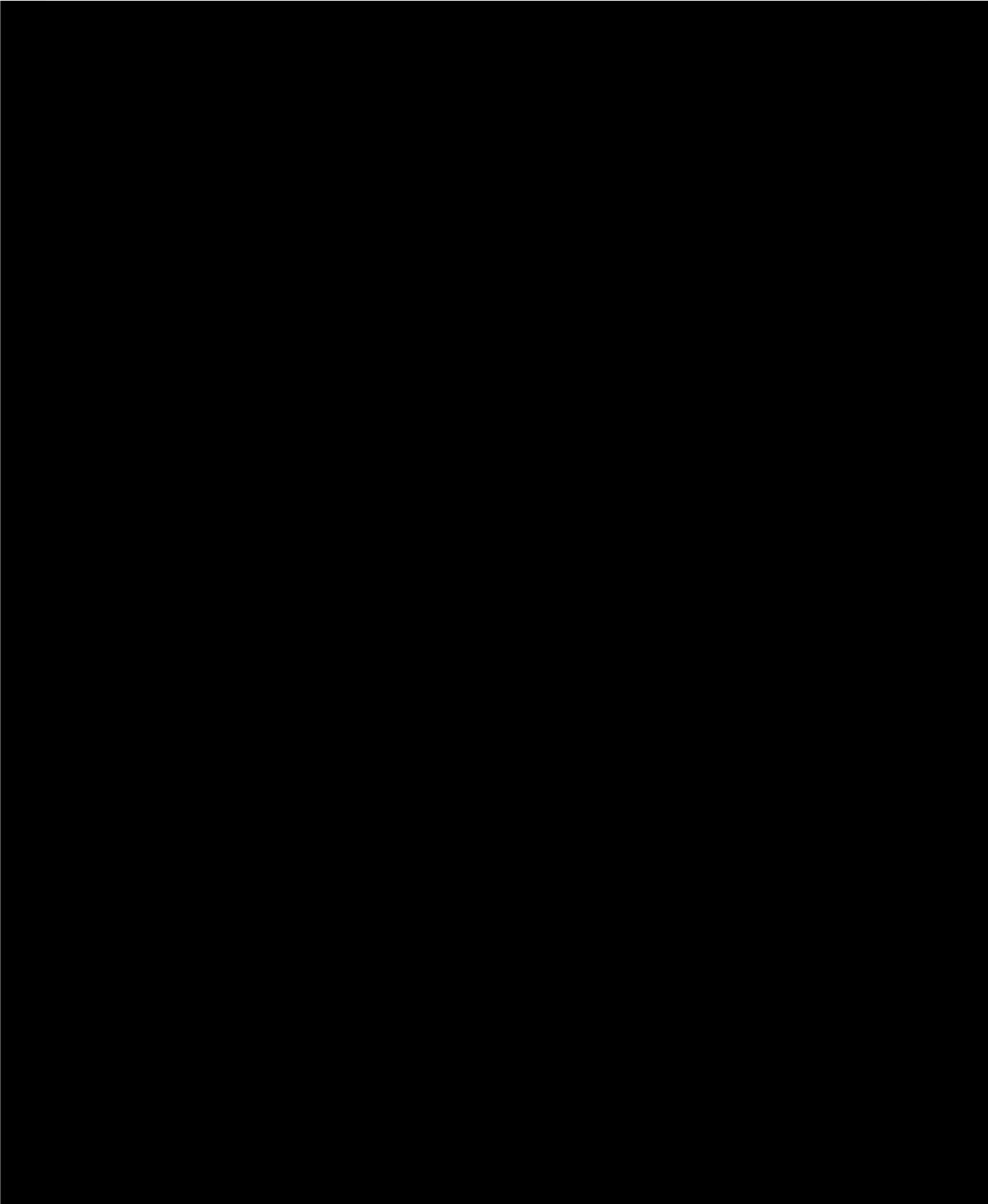


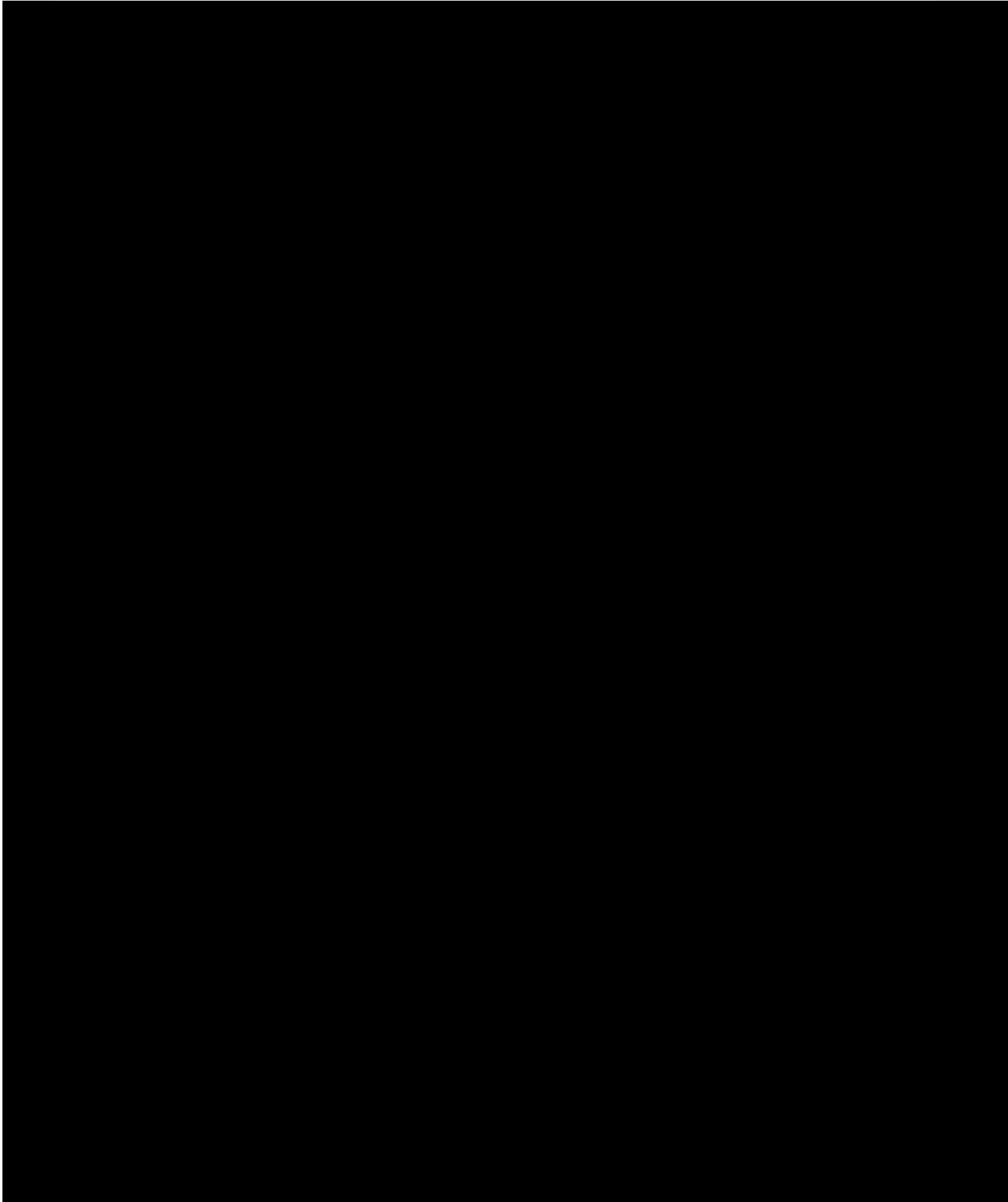


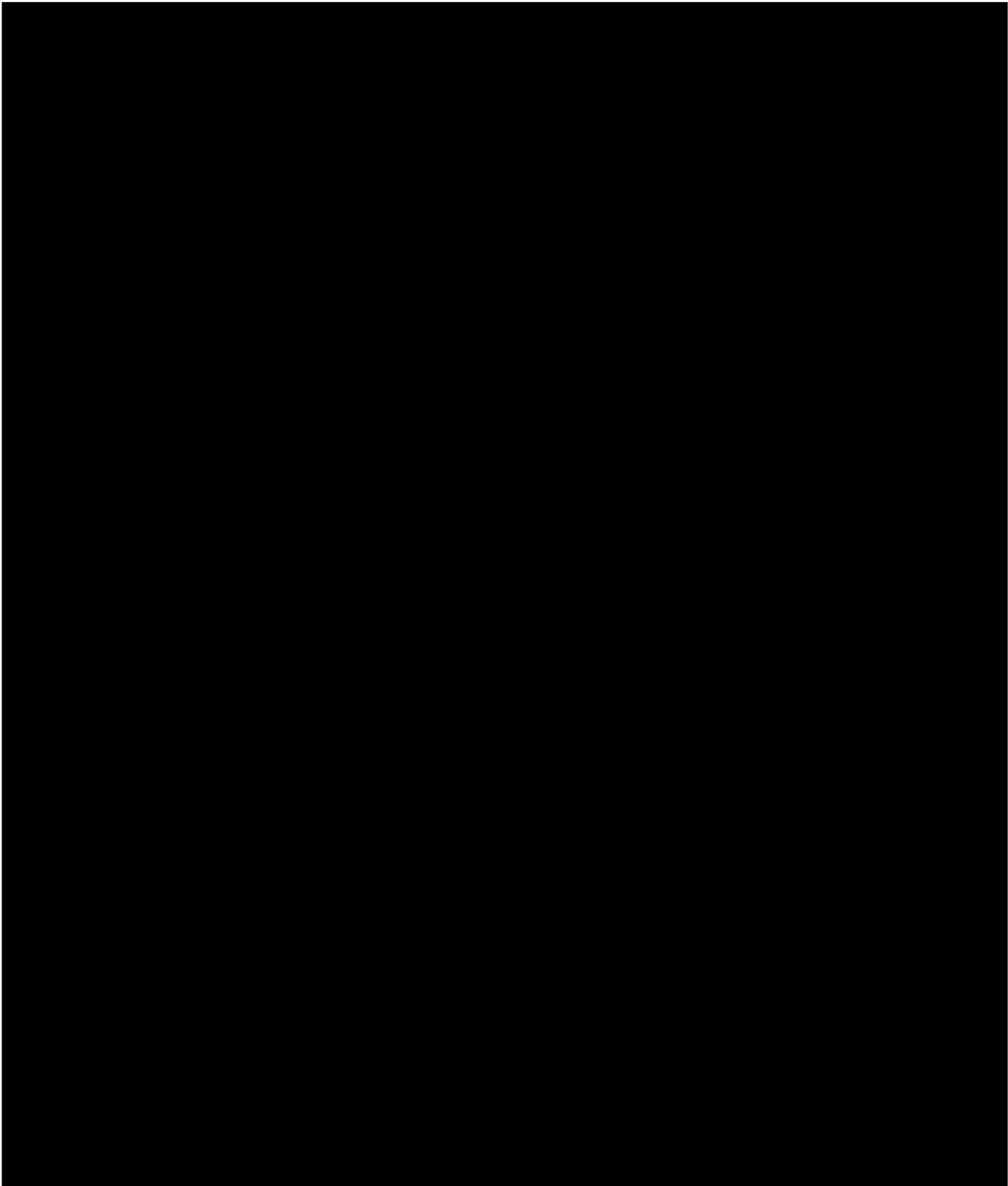














Section 10  
Economic  
Benefits Plan

Attachment 10.A

REDACTED



Section 10  
Economic  
Benefits Plan

Attachment 10.B

REDACTED

