



NYSERDA

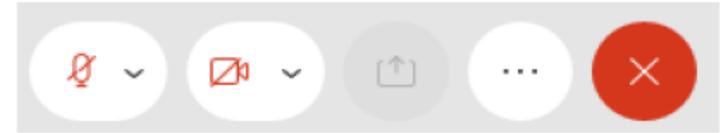
New York Offshore Wind ORECRFP22-1 Supply Chain Investment Plan Approach

July 14, 2022 | Webex

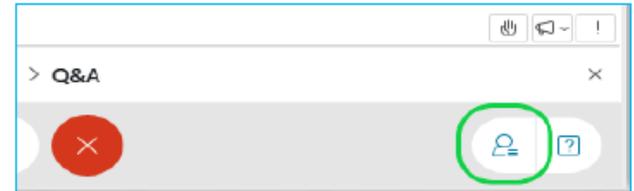
Meeting Procedures

Participation for Members of the Public:

- > Members of the public will be muted upon entry.
- > Questions and comments may be submitted in writing through the Q&A feature at any time during the event.
- > If technical problems arise, please contact Sal.Graven@nyserda.ny.gov



You'll see  when your microphone is muted



Governor Hochul's 2022 State of the State: OSW Highlights



**\$500 MILLION INVESTMENT IN
OFFSHORE WIND
MANUFACTURING & SUPPLY CHAIN**

#StateOfTheStateNY #NYActsOnClimate

\$500 million in Critical Offshore Wind Infrastructure: Bringing New York's total public commitments to OSW ports, manufacturing, and supply chain infrastructure to a nation-leading total of \$700 million

Procure at least 2 GW in NYSERDA's next OSW solicitation: Enough new offshore wind energy to power at least 1.5 million homes and create at least 2,000 new jobs and award additional scoring credit to proposals that repurpose downstate fossil-fuel power plants

Initiate Planning for a Future Offshore Wind Transmission Network: To deliver +6 GW to NYC via a New York State Cable Corridor Study

Launch the Offshore Wind Master Plan 2.0 Deep Water: Building on the success of New York's award-winning Offshore Wind Master Plan, NYSERDA will initiate a new Master Plan 2.0: Deep Water to unlock the next frontier of floating OSW development



Webinar Overview

Goal: Present the proposed approach for Supply Chain Investment Plans (SCIP) in ORECRFP22-1 (NY3) to improve understanding and seek final feedback from procurement participants.

Agenda:

- 1. RFI Process and Stakeholder Engagement**
- 2. ORECRFP22-1 and Supply Chain Investment Plans**
- 3. Supply Chain Investment Plan Details**
- 4. Q&A via the Chat Function**
- 5. Follow-up feedback by July 15 COB. Send by email to offshorewind@nyserda.ny.gov**

Draft RFP + RFI Process

1,300 + Comments

60 + Commenters

Supply Chain Goals Based on Stakeholder Feedback:

- **Enable developers to partner with manufacturers to encourage supply chain project viability, but do not force partnerships/outcomes**
- **Provide a pathway for diverse projects to participate at various stages of the supply chain build out**
- **Support the market in developing long-term, competitive investments**

Evolving Framework since RFI:

1. **The timeline of the ORECRFP and Supply Chain Investment Plan (SCIP) is the same.**
2. **No RFQL Process. Eligibility is based on the size of overall investment, investment ratios, and job and activity minimum thresholds.**
3. **Eliminate minimum ratio of 3 jobs to \$1m of NYSERDA funding.**
4. **Nacelles and blades are not required to be included in SCIPs. However, their inclusion may provide additional economic benefits points.**
5. **New York State Funding is limited to \$150m for any SCIP that does not include blades or nacelles. Minimum SCIP size is aggregate investment of \$300m.**
6. **Bid variants with purchase commitments are not required.**
7. **No priority will be given to bid variants with purchase commitments, but purchases are eligible for economic benefits scoring credit.**

\$500M Supply Chain Investment

	Phase I	Phase II	Phase III
TYPE OF PROPOSAL	NY3 Paired Supply Chain Investment Proposal (SCIP)	Supply Chain RFP	Supply Chain Support RFP
INVESTMENT TYPE	Blades, nacelles, cables, ports, foundations, subcomponents, steel, or other substantial offshore wind industry activities	Same as OREC RFP, removing types that are sufficiently awarded in OREC RFP	Sub-component manufacturing – focus on small businesses across all geographies of the state
BIDDER	Offshore Wind Energy Developers	Original Equipment Manufacturers or Facility Developers	Existing Statewide Manufacturing & Service Providers
NYS FUNDING	Up to \$300m w/ Blades/Nacelles Up to \$150m w/o Blades/Nacelles	\$450m minus whatever has been awarded in OREC RFP	\$500m minus whatever has been awarded in first two RFPs (Min. \$50M)
FUNDING RATIO	2:1* (non-NYSERDA to NY State Funding)	2:1	2:1

* \$2.00 of non-New York State Funding for every \$1.00 of New York State Funding. Funding from public entities other than New York State Funding can be counted as non-New York State Funding

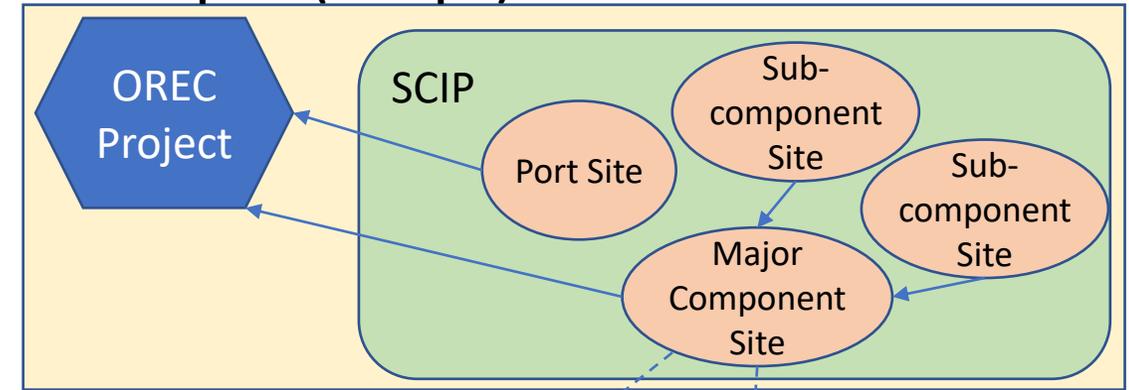
\$500M Supply Chain Investment Schedule

	Phase I	Phase II	Phase III
LAUNCH	July 2022 (included in OREC RFP)	Q2 2023	Q4 2023
CLOSE	December 2022 (with OREC Proposals)	Q3 2023	Q4 2024 (open for one year)
AWARDS	Q1/Q2 2023 (with OREC awards)	Q4 2023	Periodic reviews and awards

ORECRFP22-1 and SCIP - Structure

- All ORECRFP bidders are required to submit at least one bid with a SCIP and one without a SCIP. Alternate Proposals can include a SCIP or be standalone. A Proposer may submit multiple SCIPS.
- Each SCIP submission may (and is encouraged to) include multiple investment sites and activities, and Funding Recipients.
- A SCIP may be associated with more than one Proposal.
- A SCIP may (but is not required to) be conditional upon minimum total offtake from the solicitation award group.
- Proposers may (but are not required to) submit Proposals that involve purchases from SCIP facilities.

SCIP Proposal (example)



Optional conditionality



Standalone Proposals from other Proposers

ORECRFP22-1 and SCIP – Exclusivity Terms

Offshore Wind Developers' arrangements with Funding Recipients, landowners, developers or proposed end-users of an Eligible Investment Site may not materially restrict the ability of such parties to collaborate with other developers in developing a SCIP.

- **Proposers are required to certify in the Proposer Certification Form that no such arrangement exists and provide enough information during bid submission to confirm compliance with this term of the RFP.**
- **NYSERDA reserves the right to disqualify any arrangement that would violate antitrust laws.**
- **ORECRFP Proposers may negotiate exclusive or priority financial, pricing or business arrangements with Funding Recipients so long as such arrangements do not prohibit such Funding Recipients from negotiating separate and distinct deals with other Proposers.**
 - **Terms are not intended to prohibit proposed Funding Recipients from negotiating exclusive options for land or locations for the facilities included in SCIPs (unless such arrangements would otherwise violate antitrust laws).**
- **An arrangement would violate the above-described prohibition if it bars a proposed Funding Recipient from (1) seeking other state funding or grants, (2) partnering with other Proposers in the event the Proposer's bid is not selected or (3) communicating directly with NYSERDA either during or after this RFP process.**

ORECRFP22-1 and SCIP- Minimum Requirements

NYSERDA Funding Limit	Up to \$300m for SCIPs that include localizing blades or nacelles Up to \$150m for SCIPs that do not include localizing blades or nacelles
Funding Ratio	2:1 (non-NYSERDA to NYSEDA)*
Minimum Investment	At least \$300m between private/non-NYSERDA and NYSEDA
Supported Projects	Blades, nacelles, cables, ports, foundations, subcomponents, steel, or other substantial offshore wind industry activities that in total represent a \$300m investment amount
Direct Jobs Thresholds	Blades: 500 long-term jobs Nacelles: 200 long-term jobs Foundations: 200 long-term jobs Cables: 150 long-term jobs Ports: 100 long-term jobs at the port Sub-components: Proportional # of long-term jobs
Required Plans	Stakeholder Engagement Plan New York Jobs and Workforce Plan Economic Benefits Plan

*** \$2.00 of non-New York State Funding for every \$1.00 of New York State Funding. Funding from public entities other than New York State Funding can be counted as non-New York State Funding**

Eligible Expenses for New York State Funding

Construction and/or rehabilitation of sub-surface structures and/or subgrade modifications to increase bearing capacity of equipment, materials, or manufactured components	Construction and/or rehabilitation of wharf structures to load components on and off transport vessels. Construction and/or rehabilitation of shoreline protection structures (e.g., revetment)
Establishing institutional or industrial capacity building and training to operate and scale the investment site	Grading of and finishing of surfaces, including excavation, fill, hauling, purchase and placement of surface material. Removal and disposal of dredged material.
Planning, architectural, and engineering design. Sustainable design including LEED certification	Reinvestment, conversion, and rehabilitation of existing manufacturing facilities for use in the offshore wind industry
Demolition, clearing of debris and vegetation and removal of existing concrete, asphalt or other surfaces	New Building construction and/or rehabilitation of existing building structures. Manufacturing equipment.
Site environmental assessment, remediation, and permitting	Construction and/or rehabilitation of surrounding transportation routes.

- **Non-New York State funding can be used for non-Eligible Expenses but must be used for development and construction (not operation and maintenance).**
- **Eligible Expenses may incur after January 1 0222**

SCIP Economic Benefits

- **The SCIP supports the OREC Proposal's Economic Benefits Plan and associated Economic Benefit Claims.**
- **Proposers describe the Incremental Economic Benefits resulting from successful execution of each investment.**
- **Economic Benefits should include only those direct benefits that are "incremental".**
- **A qualitative description and quantitative summary of the Economics Benefits associated with each Proposed Site Investment will be detailed in the ORECRFP data submission forms.**
- **SCIP Economic Benefits should be presented in the following three categories -**
 - **Category 2: Incremental Economic Benefits associated with development and construction.**
 - **Category 4: Incremental Economic Benefits associated with operation and maintenance.**
 - **Category 5: Other economic benefits that are reasonably expected but not included in the Funding Agreement.**
 - **Category 2 and Category 4 will have minimum and target metrics included in the Funding Agreement.**

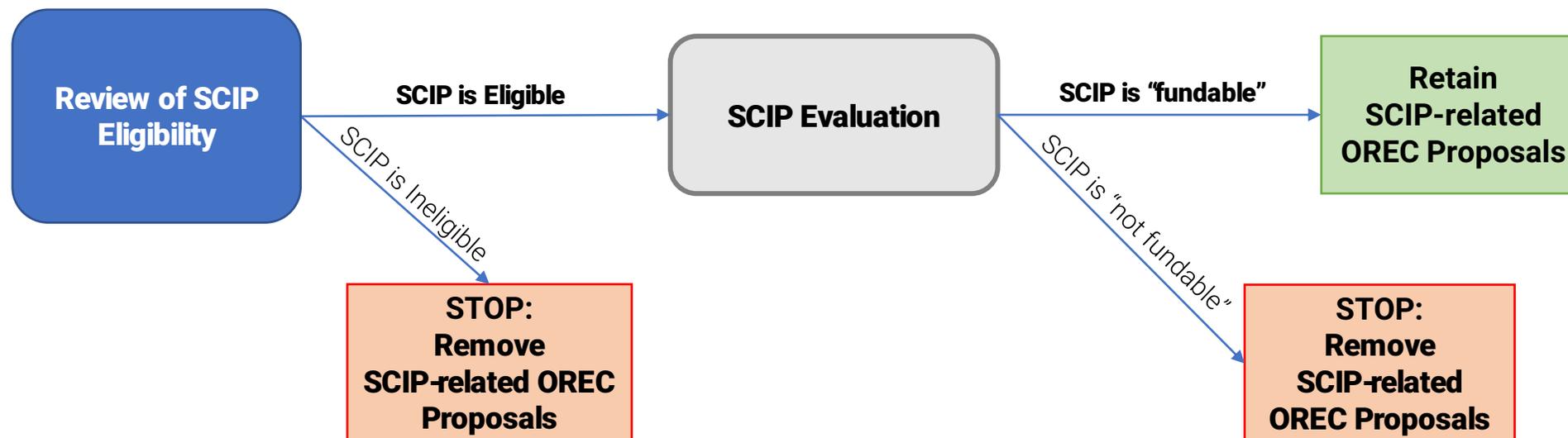
Economic Benefit	Minimum	Target
Total Category 2 and 4 Economic Benefits – expenditures		
Total Category 2 and 4 Economic Benefits – long-term unique jobs created or retained		
Total Category 2 and 4 Economic Benefits to MWBEs and SDVOBs – expenditures		
Total Category 2 and Category 4 Economic Benefits to Disadvantaged Communities – long-term unique jobs created or retained		

SCIP Evaluation

- **SCIPs will initially be evaluated independently of the OREC Proposals based on the SCIP and SCIP Data Form**
- **SCIP evaluation goal is to determine whether each SCIP is “fundable” or “not fundable”**
- **Evaluation will be based upon:**
 - **Need for NY State Funding – other funding sources not available**
 - **Viability – eligible site readiness, permitting plan, development & construction schedule, risk assessment**
 - **Funding Certainty – certainty of receiving matching funds**
 - **Supply Chain Development – time to market, future proof for evolving tech, local supply chain engagement**
 - **Investment Diversity – support for multiple site investments**
 - **Economic Benefits – expenditures, long-term jobs, MWBE, SDVOB and Disadvantaged Community benefits**
 - **Market Readiness – available at a competitive cost**

SCIP in ORECRFP22-1 Evaluation

- Evaluation outcome that a SCIP is “not fundable” would eliminate any Proposal that includes that SCIP from consideration for award under ORECRFP22-1 RFP.
- Evaluation outcome that a SCIP is “fundable” will keep any OREC Proposals that include the SCIP eligible for award.



- Proposals with “fundable” SCIPs can receive up to 5 economic benefits points (out of 20) based on the overall strength of the SCIP, with an emphasis on the SCIP’s economic benefits.
 - Up to 15 out of 20 economic benefits points will be awarded for the OREC Proposal’s economic benefits.
 - Standalone Proposals will receive up to 20 economic benefits points for the OREC Proposal’s economic benefits.

ORECRFP22-1 and SCIP- Awards

- **NYSERDA will first select Proposals for award from the SCIP Proposals rank order.**
 - **NYSERDA anticipates selecting one SCIP for funding. However, NYSERDA reserves the right not to select any SCIP (awarding only Standalone Proposals), or to select more than one SCIP.**
- **After concluding awards to SCIP Proposals, NYSERDA will select Proposals for award from the Standalone Proposals rank order**
- **If any contingencies (SCIP minimum offtake requirement or Proposal dependence on a SCIP) are not met through the award group, the conditioned Proposal would not be eligible for award.**

Grant Funding Agreement

- **Contract(s) for NYSERDA funding signed between NYSERDA and supply chain facility developer (e.g., the OEM).**
- **Funding disbursed 50% upfront, 25% at completion, and 5%/year for each of first 5 years of operation, subject to negotiation if a project can show a compelling reason for a different funding schedule.**
- **The funding agreement will include minimum jobs and other economic benefits metrics that funding is conditioned on.**
- **Separately, the OSW developer whose bid included the awarded SCIP would sign a contract with NYSERDA in which the OSW developer commits to invest in and/or purchase from the facility on the terms set forth in its bid.**

Offshore Wind Manufacturing Tax Credit

- **OREC Agreement price reduction for 50% of value of any new qualifying federal support for energy or transmission obtained by project expanded to include qualifying federal support for components of energy or transmission projects.**
- **Supply chain funding agreement will provide that 50% of the value of any new qualifying federal support for a manufacturing / port facility would be deducted from NYSERDA funding commitment.**
- **This deduction would not include the value of new sales enabled by the qualifying federal support that the facility was not previously counting on.**

Q&A

Feedback may be provided via email to:
offshorewind@nyserda.ny.gov

To be fully considered, feedback should be provided no later than
COB July 15th