



**August 10, 2018**

**Environmental Justice Public Comments to New York State Energy Research and Development Authority on the Offshore Wind Renewable Energy Credits Request for Information (RFI OSW-2018)**

**Introduction**

New York's offshore wind development has the potential to provide widespread environmental and economic benefits, while ensuring the State meets its climate and clean energy targets. It is imperative that the economic, energy, and environmental benefits of this growing sector are equitably distributed, particularly by accounting for decades of economic and environmental burdens from the energy sector disproportionately concentrated in low-income communities and communities of color. The undersigned organizations are members of Governor Andrew Cuomo's Environmental Justice & Just Transition Working Group. Collectively, our organizations serve environmental justice communities located in several of New York City's Significant Maritime Industrial Areas (SMIAs) that also host fossil fuel-based energy facilities. The communities we serve demonstrate both the need for clean energy resources to displace polluting facilities, along with the industrial potential to provide the necessary supply chain provisions for the development and sustenance of robust offshore wind and clean energy markets in New York State. Based on our history and expertise serving environmentally and economically overburdened communities at the frontlines of the climate crisis, we believe the New York State Energy Research and Development Authority (NYSERDA) and State leadership must prioritize the following three themes in future offshore wind solicitations, detailed further in our specific responses to the questions provided in NYSERDA's Offshore Wind RFI:

- Displace generation, negative health burdens, and GHG and localized co-pollutant emissions from polluting facilities in environmental justice communities
- Address supply chain needs by expanding operations and technical capacity for local business and labor pools from targeted low-income and environmental justice communities
- Partner with mission-aligned investors and community-based environmental justice non-profits on opportunities to democratize and diversify the economic activities associated with the offshore wind sector's growth and sustainability

As members of the Governor's Environmental Justice & Just Transition Working Group, we look forward to collaborating with NYSERDA, State leadership, and offshore wind stakeholders across sectors to ensure the economic and environmental potential of this growing sector is meaningfully accessed and shaped by the communities who stand to benefit the most from offshore wind.

**RFI OSW-2018 Responses**

The following answers are provided for NYSERDA RFI questions most relevant to ensuring future State-led Offshore Wind solicitations meaningfully prioritize and integrate standards for equity and environmental justice:

***5. The Order notes that NYSERDA could award more than 800 MW in the first year alone to secure economic development benefits or to accept low bid prices that take advantage of the expiring federal tax credits. What should the RFP include to promote these benefits?***

We support NYSERDA's inclusion of stipulations that will secure cost competitive pricing through the use of expiring federal tax credits, as well as economic development benefits. To capture economic benefits, we ask that all proposals include Project Labor Agreements and Community Benefits Agreements with clear targets for workforce development and comprehensive community co-benefits that are drafted in consultation with labor and community-based organizations. Additionally, we recommend that NYSERDA require proposals to demonstrate that the use of federal tax credits will lead to cost competitive pricing without diminishing project benefits associated with both Project Labor Agreements and Community Benefits Agreements.

***10. How should NYSERDA consider a strategic partnership between an offshore wind developer and a transmission owner in project viability or other award determinations? Are there reliability, economic, and/or operational benefits associated with such a strategic partnership as it pertains to "wet transmission," i.e., onshore substation, offshore substation and export cable?***

Due to the scale, complexity, and level of impact of added infrastructure needed to accommodate downstate offshore wind, any potential strategic partnership between prospective offshore wind developers and transmission owners must be reviewed by the stakeholders who stand to experience the impacts of a given partnership structure. As such, proposals for transmission development and ownership that sites new infrastructure in environmental justice communities must be reviewed by the Governor's Environmental Justice & Just Transition Working Group to ensure that impacts to local communities and the workforce yield optimal benefits while minimizing burdens.

Furthermore, based on principles of fairness and the need to dismantle legacies of environmental and economic injustice through the clean energy transition, NYSERDA should commit a proportion of new transmission infrastructure to be developed through a partnership of a cross-sectoral consortium of community-based environmental justice organizations and mission-aligned investors with the stated goal of democratizing segments of the downstate energy system. This consortium will capture revenues from new transmission through community co-ownership of infrastructure assets, and work with State agencies and the Governor's Environmental Justice & Just Transition Working Group to develop plans for strategic reinvestment opportunities in low-income and environmental justice communities. As such, project proposals submitted to future offshore wind RFPs should be given a higher score or weighting based on the proposer's support and commitment to help facilitate the establishment of community co-owned transmission infrastructure.

***16. How should the Benefit Cost Analysis Framework set forth in Case 14-M-0101 (Reforming the Energy Vision) be applied or otherwise refined in the 2018 RFP regarding price evaluation?***

While the Benefit Cost Analysis (BCA) Framework introduces a basis to determine the value of potential projects, the Framework largely pertains to the costs and benefits that fall upon utilities. While we acknowledge the importance of prioritizing utility-based impacts from potential projects and investments, we believe that relevant parties and key decision-makers for the 2018 RFP should analyze, value, and score project proposals based on criteria that encompass both utility and non-utility costs and benefits.

To this regard, page 3 of the BCA Framework states, “Alongside cost avoidance and system efficiency benefits, the BCA Framework as proposed would reflect consideration of social values, also known as externalities, quantifiably when feasible and qualitatively when not.” In addition to the social values identified in the Framework, we believe that any analysis done for project proposals should quantitatively and qualitatively capture project-related impacts associated with the following externalities:

- Job creation and economic development - the economic value of a net increase in sustainable, high road clean energy sector jobs and other forms of economic development, particularly in the form of localized supply chain investments
- Reduced energy burden - the economic value to the system and individuals, particularly those putting a significant portion of their income towards energy (over 6% of income), of long-term affordable and stable energy sources
- Avoided health costs - this includes the avoided costs health costs through a project’s displacement of polluting infrastructure, as well as costs to address health impacts associated with insufficient heating and cooling (i.e. heat stress, morbidity due to lack of heat) mitigated by a proposed project
- Added climate resiliency measures - the quantified benefit of added energy resiliency measures including backup power during emergencies, displacing the need to invest large amounts of money into current and future polluting facilities and reducing overall grid system challenges
- Avoided environmental costs and environmental benefits - the benefit or avoided costs of offsetting pollution that impacts environmental resources such as parks, flora, fauna, protected space, etc. and the benefit in its own right of meeting the State's climate and greenhouse gas (GHG) emissions reduction targets
- Project participation - prioritizing and quantifying the value of participation among low-income and environmental justice populations, which constitute underserved market segments that have been economically and environmentally burdened by the energy sector while not having access to current opportunities in renewable and clean energy
- Avoided social costs - All of the other impacts that lack of access to affordable energy and the imposition of polluting infrastructure have on a person and community such as the impacts of a student missing many days of school or a parent missing work due to asthma and other conditions, or the inability to access safe outdoor recreation spaces due to air pollution, or the inability for a student to complete their homework because they don't have access to adequate electricity or climate control in their home, or the inability for a family to keep fresh food in the home because of a lack of reliable refrigeration.

***23. In addition to project-specific spending and job creation in NYS, the Order encourages investment in enabling supply chain and infrastructure in New York, and commitments to offshore wind industry and supply chain stimulating activities that create real, persistent and sustainable institutional or labor capabilities in New York State, and that lower the cost of future offshore wind projects (Order, pp. 52-53).***

***a. What documentation of such commitments should be required in the RFP to demonstrate real and verifiable investments in these categories?***

The procurement of offshore wind in New York State poses a unique opportunity to realize comprehensive economic development opportunities. The RFP should require a comprehensive plan of how the proposer will provide the following: support the development and expansion of maritime-dependent industrial facilities; engage local manufacturers and industry service providers in establishing local supply chains; and partner with local technical colleges on workforce training and development programs.

Investments that support supply chain and infrastructural development should yield benefits that are distributed equitably. This distribution should prioritize the participation of populations historically burdened by the energy sector and underrepresented in New York’s existing clean and renewable energy landscape. To this regard, proposals should be scored higher if documentation includes strategies for expanded participation and access among low-income and environmental justice populations to the benefits associated with planned investments in supply chain and infrastructure.

***b. How should NYSERDA evaluate whether any investment is likely to lower the cost of future offshore wind projects?***

NYSERDA should evaluate how investment catalyzes local economic growth in supply chain industries and labor markets, which will establish the infrastructural, manufacturing, and labor foundation that can facilitate and support future projects.

***24. In accordance with the Order’s guidance to include a local content provision in the evaluation criteria (Order, p. 52), NYSERDA may require that proposers file an Economic Benefits Plan (EB Plan), to demonstrate its commitments. The purpose of this EB Plan is (i) to explain and justify the proposer’s claims, and (ii) to help evaluators consider the viability of claims. What information should be required in an EB Plan to support scoring of:***

***a. Supply chain and supportive infrastructure investments?***

Analysis of economic impact on existing or prospective port infrastructure, local manufacturers, and freight industry should be provided.

***b. Opportunities for New York State businesses to bid on project expenditures?***

Project proposals should be required to report on the proportion of project expenditures that will be allotted to New York State businesses, with added weighting given on a sliding scale to proposals that allot a higher proportion of expenditures to local businesses. Furthermore, a project’s subcontracting requirements must be included, with information on local and long-term hiring targets for New York State partners and subcontractors. Because New York’s offshore wind marketplace is nascent, many existing businesses have the potential to expand their operations to address supply chain needs. Project proposers should also report on how they will keep a database of potential subcontractors in New York, and how they will circulate subcontracting opportunities to local businesses and firms. Higher scores and/or weighting should be given to proposals whose database of potential contractors and circulation of subcontracting opportunities prioritize business and labor pools from downstate low-income and environmental justice communities, such as New York City’s SMIA’s.

Recognizing the potential for existing local firms and businesses to contribute to and benefit from the growth of New York’s nascent Offshore Wind market, each Economic Benefits (EB) Plan should include a strategy for coordinating vendor forums and job fairs — in partnership with labor organizations, workforce development specialists, academic institutions, chambers of commerce, and community-based environmental justice organizations. These forums will bring together local businesses poised to broaden their operations to participate in research, design, production, and supply opportunities. Forums should include industry training and guidance on emerging markets, regulatory considerations, relevant incentives, and bidding processes, thereby providing pathways and reducing barriers to offshore wind market participation among local firms. Proposals should be given higher scores if their EB Plans prioritize forum participation among businesses and organizations from targeted low-income and environmental justice communities, particularly downstate industrial waterfronts.

EB plans must also be evaluated based on their strategies to include Minority and Women-Owned Business Enterprise (MWBE) participation, with added weighting given to plans that meaningfully demonstrate MWBE inclusion, participation, and subcontracting as a priority.

***c. Enabling investments in activities, e.g., workforce development, R&D, other?***

Project proposals must include an investment plan demonstrating how strategic investments will help achieve local community development benefits, with implementation done in partnership and consultation with local non-profit organizations. Investment plans should include letters of support from implementation partners.

Recognizing the potential for new institutions and start-ups to play a role in establishing New York as a hub for Offshore Wind, and according to principles of equity, diversity, and inclusion, higher scoring should be given to EB plans that include partnerships with public/community colleges and/or community-based institutions aimed at incubating new MWBE ventures to participate and lead in establishing New York's growing offshore wind marketplace.

***25. NYSERDA may establish a minimum requirement in the RFP to provide opportunities to New York State firms for project-related expenditures. Options include (i) requiring that opportunities for contracts be communicated to a New York State vendor list maintained by NYSERDA, and (ii) requiring that each proposer provide opportunity for New York State firms to bid on contracts representing some percentage of total project costs.***

***a. What categories of expenditures are reasonable to apply such a requirement to?***

We believe the two options conveyed in the question can effectively work together to ensure local economic participation in offshore wind projects. Minimum requirements for project-related expenditures should be applied to component production (turbines, substructures, electrical infrastructure), staging, installation, and maintenance and operations. Additional viable categories related to transmission and interconnection should be identified as a part of New York Power Authority's (NYPA) upcoming mandated research on cost-effective offshore wind development in New York State announced in Governor Andrew Cuomo's press release on 8/8/2018.

Due to the nascency of the marketplace, if an instance arises during project development where the developer cannot successfully subcontract New York State firms with local employees for a given category, the developer may subcontract to an out-of-state entity so long as they provide a supporting ad hoc economic development strategy that demonstrates future market participation in the given category from local labor and/or firms. NYSERDA, as the primary administrator of the New York State vendors list, should work closely with developers to establish supporting ad hoc economic development strategies for New York State firms and/or labor organizations in targeted supply chain categories, should they arise. NYSERDA should work with developers to establish timelines for the implementation of these strategies to hold developers accountable while also ensuring projects do not experience added financial risk. Furthermore, firms and labor pools in low-income and environmental justice communities, particularly from downstate industrial waterfronts, should be prioritized in these strategies. Finally, all supporting ad hoc economic development strategies must be reviewed and overseen by the Governor's Environmental Justice and Just Transition Working Group, thereby ensuring strategy design and implementation can be sustained in New York, establishing timely and clear pathways to future market participation among target populations, and complies with equity and labor standards.

***b. With respect to approach (ii), please comment on the practicality of such a requirement; what level of demonstration would be required; what is a reasonable specified percentage of total project costs to require; and what exceptions would it be reasonable to include.***

We support each proposer providing opportunity for New York State firms to bid on contracts representing a percentage of total project costs. We recommend NYSERDA establish a minimum threshold for subcontracting opportunities to local firms and local MWBEs. This threshold should be established in consultation with downstate labor organizations and the Governor's Environmental Justice and Just Transition Working Group. With regards to level of demonstration and reasonable exceptions, please refer to the second paragraph of our response to 25a.

***26. In accordance with the Order, NYSERDA is interested in conveying greater weight to those expenditures and investments that (i) create persistent institutional or labor capabilities in NYS, and (ii) lower the cost of future offshore wind projects (Order, pp. 52-53). Please comment on:***

***a. The proposed approach;***

It is critical that expenditures and investment demonstrate both the creation of persistent labor capabilities and lower the costs of future offshore wind projects. These priorities should not be a matter of merely greater weight, but should inform the very eligibility of proposed projects. Baseline eligibility criteria, as well as scoring and weighting methodologies for proposals that surpass baseline thresholds for these priorities should be established through consultation with the Governor's Environmental Justice and Just Transition Working Group. The response to 26a should provide sufficient insight to address questions 26b and 26c.

***29. The Order recognizes that the development of offshore wind creates the potential for high-quality employment opportunities and therefore presents a significant potential benefit to New York State. What measures or arrangements do you consider the most efficient and effective ways to:***

***a. Ensure that the maximum potential high-quality employment opportunities are available to New Yorkers?***

NYSERDA should require minimum thresholds for local hiring, particularly hiring from low-income and environmental communities, and jobs with integrated standards, opportunities, and goals for upward mobility through promotions and wage increases. These requirements should be developed in consultation with local labor organizations and the Governor's Environmental Justice and Just Transition Working Group.

***b. Ensure that a properly trained, highly-skilled and qualified workforce is available to fill the various labor needs throughout the duration of the project?***

Where local gaps exist for a properly trained, highly-skilled, and qualified workforce to address local supply chain needs, targeted communities - particularly downstate low-income and environmental justice communities - should be prioritized for recruitment and training opportunities. These communities - historically underrepresented in the New York clean energy economy - can then provide the necessary labor pool needed to address gaps in supply chain needs while concurrently addressing barriers to diversity and inclusion in the clean energy sector. To this regard, please refer to the answer provided in this document for RFI question 25a on how projects can help achieve the aligned goals of addressing local workforce needs while expanding clean energy sector participation to targeted underrepresented communities.

***c. Ensure opportunities for the participation of New York small businesses?***

The participation of New York small businesses should be ensured through partnership with community-based, economic justice, and/or environmental justice organizations with intimate knowledge of local business landscapes that stand to benefit the most from participation in the offshore wind market. This approach will maximize the number of small firms included in the New York State vendors list managed by NYSERDA (described in RFI question 25), increase the rate of MWBE business participation, and advance local economic

development opportunities in industrial communities. Additionally, answers provided in this document to RFI questions 24 and 25 provide further details on recommendations for high-quality employment opportunities.

***30. What information and documentation should be required of proposers to demonstrate viability (please be specific as to the type of information and the level of detail which should be submitted), as follows, based on the criteria listed in the Order (Order, p. 53):***

***h. Community Outreach: How should proposers be required to credibly demonstrate their community outreach and support?***

Proposers must be prepared to document a process of extensive community partnership and consultation in the formation of their proposal. This should include letters of support from local stakeholders, including environmental justice leadership, and demonstrate that the proposal was crafted with community consultation through each stage of its development.

***33. The Order requires that environmental data collected by the developer be made publicly available, except data normally considered proprietary. What environmental data collected by developers should be made publicly available and what data should be considered proprietary?***

Developers should collect and publicly report environmental data on the total reduction of GHG emissions and localized co-pollutant emissions and associated health costs their given projects would yield. Furthermore, information should be given on the areas that these reductions would take place in, based on which existing energy facilities would have their generation displaced due to new infrastructure. The manner by which NYSERDA can assist with this form of data collection and reporting is further detailed in the second paragraph of the response to RFI question 34 in this document.

***34. The Order suggests that NYSERDA file a proposed revision to the Environmental Research Program's Clean Energy Fund Investment Plan to support offshore wind environmental research. a. How much funding should be made available to support State-sponsored environmental research, and over what timeframe? b. How could these funds be used to best reduce risk and advance responsible development of offshore wind?***

A revision to the Environmental Research Program's Clean Energy Fund Investment Plan should aim to build on the preliminary analysis of air quality benefits from offshore wind included in the NYS Offshore Wind Master Plan. This study should provide a more detailed assessment of the geographic distributions, as well as demographic distributions where applicable, of health and air quality impacts resulting from offshore wind development. The revision should also seek to provide resources for more granular analyses and modeling of air quality and health impacts in New York City, as described on page 50 of the Offshore Wind Master Plan.

By establishing a more granular assessment of air quality and public health impacts, NYSERDA should use this information to establish a central online platform, similar to NYSERDA's Solar Value Stack Calculator, that developers and the public can access to better understand how a given project design could lead to targeted reductions in GHG and co-pollutant emissions and reduced generation from specific energy generating facilities. This information should then be reported by developers as a part of their project proposals. This platform and supporting requirement for developers to report their specific proposal's emissions impacts, will provide the basis for the State to prioritize project proposals that report positive impacts for environmentally overburdened

communities resulting from offsetting generation and emissions from polluting facilities. If this central platform cannot be developed in time for Phase I solicitations, it should be released in time for Phase II.

***41. Are there any other topics or risks that NYSERDA should consider in drafting the RFP?***

NYSERDA should establish environmental justice and equity as a distinct category for scoring proposals. This category should encompass the considerations included in the responses to RFI questions provided in this document, foregrounding the need for equitable distribution of economic development benefits while ensuring that projects can displace generation and localized pollution from targeted facilities in environmental justice areas.

Finally, NYSERDA should include higher scoring and/or weighting for projects that commit to incorporating energy storage either as a component of the project proposal, or ensuring the project is storage-ready for future pairing. This consideration will provide added resiliency measures to a given project, providing co-benefits to utilities and downstate consumers.

**Conclusion**

We appreciate your attention to this important matter, and look forward to collaborating on the implementation of the recommendations provided. Please contact Kartik Amarnath ([kartik@nyc-eja.org](mailto:kartik@nyc-eja.org)) and Ryan Chavez ([infrastructure@uprose.org](mailto:infrastructure@uprose.org)) with any questions or concerns regarding the content of this document.

Sincerely,

New York City Environmental Justice Alliance

El Puente

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THE POINT CDC