

Appendix C

Economic Benefits Claims and Verification

This Appendix describes the types of incremental economic benefits that may be claimed in Section C.1, the Proposal submission requirements related to claimed Economic Benefits in Section C.2, and the process of verifying those claims by the awardee in Section C.3.

Proposals may include Incremental Economic Benefits that are dependent on support, funding, or cooperation from New York State. Any claim contingent on action from New York State should align with needs identified by New York State through its Jobs and Supply Chain Technical Working Group, as well as the strengths of New York State to support those needs.

C.1 Types of Eligible Incremental Economic Benefits Claims

The types of components of the three categories of Economic Benefits are as follows:

Category 1: Project-Specific Spending and Job Creation in New York State

1. Payments for labor-related expenditures. At a general level, Proposers should describe the type of jobs, including the occupation or role and the expected duration of such jobs. Proposers should provide the number of jobs expressed in FTEs, 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. Overhead for normal operations should be excluded. Examples include direct employment of New York State construction, boat crews, rail and port workers, contractors and laborers, engineering or environmental service providers, consultants, and financial and legal service providers associated with the Project.
2. Payments for in-state purchases of goods and services. Proposers should describe the expected expenditures as a result of:
 - a. The purchase and consumption of local goods and services, 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 (wind turbine components not manufactured within New York State should be excluded); and/or
 - c. Ongoing operations and maintenance expenses which are anticipated through the first three (3) Contract Years of the Contract Delivery Term.
3. Payments, rents and taxes paid to local New York State entities. Proposers should describe the degree to which the operation of the Project will provide:
 - a. New or increased revenues for jurisdictions in New York State. Describe separately all tax payment, payment in lieu of taxes (PILOT) arrangements and/or “host” community

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payment agreements with all affected New York jurisdictions. Provide expected dollars paid to all taxing jurisdictions and municipal entities from the Award Notification Date through end of the first three (3) Contract Years of the Contract Delivery Term;

- b. Payments to fishing mitigation or compensation initiatives; and/or
 - c. 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 banks related to financing transactions but not the cost of borrowing).
 5. Transmission and interconnection fees and expenditures, including those paid to the NYISO or a New York utility relating to services provided within New York State. Expenditures associated with overbuilt transmission, that is, transmission “headroom” beyond that required to accommodate a Proposer’s Project requirements, will not be considered.

Category 2: Offshore Wind Industry-related Supply Chain and Infrastructure Investment

1. Investments in offshore wind-related supply chain such as ports providing staging, assembly or other services to the offshore wind industry, and manufacturing infrastructure for components used in the manufacture of offshore wind generation or interconnection equipment.
2. Investment in transportation facilities capable of serving future offshore wind Installation, operation and maintenance needs, such as investment in Jones Act compliant vessels.
3. Investments in workforce development applicable to future offshore wind 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 input activities identified in Category 3 may be included if they create capabilities to support future offshore wind facilities.
4. Investment in research and development in New York State applicable to improvements in offshore wind generation and delivery equipment and technology.
5. Investments in development of broadly-applicable sea bed, wind and metocean data (not specific to or limited to the Project) that will be made publicly available, and that have beneficial impact to future offshore wind development that would benefit New York State.
6. Other investments in line with the intent of this Category, when accompanied by supporting explanation as to their effect in the Economic Benefits Plan.

Category 3: Input Activities

1. Actions taken that go beyond the New York State Supplier Opportunity described in Section 2.2.9 of the RFP which are intended to increase the likelihood of New York State suppliers being successful in supplying the Project. These could include:

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- a. Undertakings to shortlist pre-qualified New York State companies;
 - b. Support to New York State companies to help them pre-qualify;
 - c. Identification and communication of opportunities to New York companies through awareness campaigns, websites, “meet the buyer” events;
 - d. Subdividing work packages to increase the New York State firms’ prospects for success; and/or
 - e. Inducements on the Proposer’s supply chain to make similar commitments.
2. 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.
3. 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 “just transition” of New York State workers previously employed in conventional generation, manufacturing, construction, ship/vessel construction, or other marine-related industries to serve the new offshore wind industry.
4. Effectiveness of investment (monetary or intellectual) in the development of offshore wind research and development activities in New York State that enhance the quality and relevance of New York State research and development in offshore wind. These could include:
- a. Providing data to New York State research institutions;
 - b. Providing industrial peer review;
 - c. Identifying technology challenges and supporting funding applications;
 - d. Partnerships;
 - e. Use of turbine(s) or Project as a test bed for research and development activities; and/or

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- f. Active membership in the Offshore Wind Research and Development Consortium led by NYSERDA.
5. Leveraging the use of fishing and other vessels owned by New York State business for the purpose of research and development, or other activities related to offshore wind.

C.2 Proposal Submission

Proposers must submit their claimed Incremental Economic Benefits through the first three (3) Contract Years of the Contract Delivery Term by category using the Offer Data Form (RFP Appendix G).

Proposers must support these claims by submitting an Economic Benefits Plan. All claimed expenditures in New York State and investments of relevance outside New York State should be expressed in real dollars at the time of Proposal submission. The Category 3 description must include subsections for Business and Workforce Engagement Plans. Business and Workforce Engagement Plans are detailed descriptions of the actions to be taken, the value of those actions, and performance metrics.

The Business Engagement Plan should describe 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 Business Engagement Plan should describe the quantitative metrics against which the actions should be measured. The Business Engagement Plan should further describe the qualitative value of the actions the Proposer intends to take.

The Workforce Engagement Plan should identify how it 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 quantitative metrics against which the actions should be measured, as well as descriptive narrative around the qualitative value of each action should be included.

Proposers must provide a Verification Plan specifying how the economic benefits claimed for evaluation will be documented for contract compliance. Specifically, Proposers should include a description of all documents, reports, contracts, subcontracts, invoices, or other information that may be submitted to verify the economic benefits claimed. In doing so, Proposers should identify the entity issuing such documentation (subcontractor, taxing jurisdiction, equipment company, etc.) and explain how the Proposer intends to attain such documentation for ultimate submission to NYSERDA for compliance under Section 7.3 of this RFP.

C.3 Post-Award Verification

C.3.1 Economic Benefits Report

The objective of the Economic Benefits Report is to ensure that Proposers are accountable for their Incremental Economic Benefits claims, thereby encouraging Proposers to claim realistic estimates of spending and impacts in their Proposals.

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Within one hundred twenty (120) days of the third anniversary of the Commercial Operation Date, Seller will be required to submit a report including documentation demonstrating the actual economic benefits that resulted from the construction and operation of the Project. 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.

C.3.2 Independent Verification

The verification requirement is intended to ensure independent validation of Incremental 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 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 the 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 OREC Standard Form Agreement for reference.
2. Seller will prepare an Economic Benefits Report documenting the total dollar amount of actual Incremental Economic Benefits accrued to New York in each of Economic Benefits Category 1 and Category 2, and the total quantity of actual Incremental 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 should 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 report to NYSERDA within one hundred twenty (120) days of 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. NYSERDA will then compare the Verified Total Dollars against the Expected Total Dollars. If the Verified Total Dollars are less than 85% of the Expected Total Dollars, NYSERDA will notify Seller and provide a written response to Seller explaining and describing NYSERDA's preliminary conclusion. Seller

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will be given a reasonable opportunity to dispute NYSERDA's preliminary conclusion or to revise the Economic Benefits Report. Should the Verified Total Dollars fail to total at least 85% of the Expected Total Dollars NYSERDA may enforce remedy(ies) pursuant to Section 12.02 of the OREC Standard Form Agreement.