

New York Announces Third Solicitation for at Least 2,000 MW of Offshore Wind

Governor Kathy Hochul [announced](#) the release of New York's third competitive Offshore Wind Renewable Energy Certificate (OREC) solicitation on July 27, 2022. Through the solicitation, the New York State Energy Research and Development Authority (NYSERDA) aims to procure at least 2,000 MW, and up to 4,640 MW, of offshore wind energy, enough to power 1.5 million New York homes. Under the New York Climate Leadership and Community Protection Act (CLCPA), New York set a resource target for offshore wind of 9 GW by 2035. The six leases recently awarded in the New York Bight alone are [estimated to produce](#) at least 5.6 GW worth of power, and it is expected that multiple New York Bight lessees will bid in New York's OREC solicitation.

NYSERDA's previous solicitations include contracts for 1,700 MW of offshore capacity from Equinor Wind US LLC and Sunrise Wind LLC in 2019 and 2,500 MW of offshore capacity from Empire Offshore Wind LLC and Beacon Wind LLC in 2020. The 2020 procurement also secured significant investments, totaling \$644 million, in port infrastructure and local manufacturing.

New Requirements

A [draft of this solicitation](#) (ORECRFP22-1) was released in March 2022 for public comment, and a follow-up request for information was released in May 2022. In response, NYSERDA received over 1,300 comments from various stakeholders. The 2022 solicitation reflects consideration of these comments and includes several updates from the previous two solicitations. These updates include the following:

- The Required Base Proposal and Required Standalone Proposal are required to utilize high-voltage direct current (HVDC) radial export cable design, except for proposals for upgrade capacity from offshore wind generation facilities with radial export cables using high-voltage alternating current (HVAC) technology. Prior solicitations merely required direct radial interconnection. Alternate proposals that include undersea cable routes through high-traffic areas of constraint, including the Lower Bay, Raritan Bay, Arthur Kill, the Narrows, the Upper Bay (New York Harbor), the East or Hudson Rivers, Block Island Sound, or the Long Island Sound, are also required to utilize HVDC radial design.
- Where HVDC is used, projects must be "meshed ready," the technical requirements for which [will be published in early August](#). Draft meshed ready requirements [were published in March](#). The HVDC and meshed ready requirements are based off recommendations from the [New York State Power Grid Study](#), which intends to provide greater reliability and flexibility for future offshore transmission. NYSERDA's [Offshore Wind Cable Corridor Constraints Assessment](#), which aims to understand the constraints of siting cables in New York state waters, and along overland routes to existing points of connection, is due to be published later this year. This assessment should inform any proposed cable routes.
- In the final solicitation, NYSERDA clarified that proposals must represent a minimum offer capacity of either 1,000 MW or the maximum capacity available from the proposer's lease area, if less than 1,000 MW. Each proposal must be for ORECs produced from up to three offshore wind generation facilities.

- Proposers must submit [Supply Chain Investment Plans](#) (SCIPs) demonstrating support for the development of a strong, local supply chain. Through the solicitation, NYSERDA will distribute \$300 million of state funding for investments in offshore wind port, manufacturing, and supply chain infrastructure that localize primary component or sub-component manufacturing, including steel production. SCIPs must demonstrate that a proposed SCIP facility requires state funding in order to be viable.
- Proposals must include a [Stakeholder Engagement Plan](#), detailing the specific measures the proposer will take to coordinate with New York stakeholders. Proposers should follow the guidelines in NYSERDA's [Guiding Principles for Offshore Wind Stakeholder Engagement](#). Proposers will need to submit a separate Stakeholder Engagement Plan for each SCIP facility. Proposers must also submit a [New York Workforce and Jobs Plan](#). The plan must demonstrate a commitment to employing New York's union workforce in a way that "maximizes opportunities for members of Disadvantaged Communities," minority- and women-owned business enterprises, and service-disabled veteran-owned businesses, particularly through workforce training and labor union partnership.
- Proposers [must commit](#) to a minimum U.S. iron and steel purchase requirement.

NYSERDA has also committed to awarding evaluation points for plans that repurpose existing downstate fossil-based electric generation infrastructure, and for projects that create economic benefits through developing energy storage and other clean energy and decarbonization investments, including pilot and demonstration projects for innovative storage projects.

Eligibility to participate in the solicitation is limited to U.S. offshore wind projects, with a lease from Bureau of Ocean Energy Management (BOEM), operational after January 2015, that demonstrate delivery of electricity into New York. Proposers must also (1) include commitments to negotiate project labor agreements, labor peace agreements, and prevailing wages; (2) submit environmental and fisheries mitigation plans minimizing impacts to fisheries and the environment; (3) participate in New York state's offshore wind environmental, commercial fishing, jobs and supply chain, and maritime technical working groups; (4) consult with relevant state agencies around fishing, wildlife, and the environment; (5) make environmental data collected during site assessment publicly available; (6) implement lighting controls to minimize nighttime visibility; and (7) otherwise minimize visual impacts.

Awarding of Contracts

NYSERDA will use a scoring system to award contracts based on three components, including (1) project viability (10 points)—a non-price evaluation; (2) New York economic benefits (20 points)—a non-price evaluation; and (3) offer prices (70 points)—a price evaluation. The project viability component assesses whether the proposed project is ready to deploy, technically and logistically feasible, sensitive to the needs of ocean users, and the goals of the CLCPA have been considered. Under the second component, New York economic benefits, proposals will be scored based on their investments into New York's economy. Under the third and highest value scored component, proposals will be scored based on their offer pricing structure and price evaluation. As part of the submission, developers must submit (1) a base proposal (which must use either the index OREC or fixed OREC pricing structure) and (2) a stand-alone proposal (which must request no New York state funding and cannot include a SCIP). Stand-alone proposals will be considered after NYSERDA completes the selection of proposals that include SCIPs. Proposers can submit an uncapped number of alternate proposals.

Overlapping BOEM and NYSERDA Requirements

As the NYSERDA solicitation is moving quickly, developers need to be actively engaging with various stakeholders, including underserved communities, fisheries, and environmental groups, and demonstrating this engagement in their proposals. Developers recently awarded leases in the New York Bight also need to pay attention to the intersection between these stakeholder engagement requirements and BOEM's similar lease stipulations requiring engagement with fisheries, coastal communities, environmental and nonprofit groups, and underserved communities, among others, with an initial progress report detailing these efforts due on November 1. For example, BOEM's [draft Fisheries Mitigation Guidance](#) will factor in as companies develop their plan for NYSERDA's requirements under Appendix D of the solicitation. Developers must set forth their plans to communicate with commercial and recreational fishermen, a similar requirement to the fisheries communication plan required by BOEM in its lease stipulation and due in advance of the NYSERDA bid deadline. As BOEM moves forward on its [Programmatic Environmental Impact Statement](#) for offshore wind energy development in the New York Bight, BOEM should also be considering the impact of the NYSERDA bid within its analysis and the programmatic mitigation measures considered.

Moreover, developers must take note of BOEM's statement that it "[may condition](#)" approval of a construction and operations plan on the incorporation of cable corridors, regional transmission systems, meshed systems, and other mechanisms into the plan. Proposers therefore should consider whether incorporating HDVC technology and a meshed ready grid, as required for the OREC solicitation, will also help them achieve BOEM's ultimate approval of their project.

Next Steps

NYSERDA will hosted a conference via webinar on August 23, 2022, to address key elements from the request for proposal (RFP) and to provide further information to potential proposers. Proposers submitted written questions through September 16, 2022, and NYSERDA responded to them in October. Proposers must have provided notice of their intent to propose by December 1, 2022, and must have registered for the NYSERDA Portal by December 15, 2022. Proposals were due December 22, 2022, and NYSERDA awarded and executed contracts in the first and second quarter of 2023, respectively.

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