

REVIEW OF NYSERDA REQUEST FOR PROPOSALS FOR PURCHASE OF OFFSHORE WIND RENEWABLE ENERGY CERTIFICATES

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Last week, NYSERDA issued a [draft Request for Proposals \(RFP\)](#) to solicit 200 MW to 800 MW of offshore wind with proposals due in the Winter 2019. The draft RFP is in response to New York State's *Offshore Wind Master Plan* that encourages the development of 2,400 MW of offshore wind by 2030. The offshore wind projects will be procured in two phases to reach the 2,400 MW goal. Phase 1 entails procuring Offshore Wind Renewable Energy Certificates (ORECs) associated with approximately 800 MW of offshore wind. The New York Public Service Commission Offshore Wind Order authorizing NYSERDA to undertake this procurement further permits NYSERDA to award more than 800 MW in this first round of the Phase 1 solicitation if sufficient attractive offers are received. The Phase 2 procurement will build on Phase 1 framework and seek to procure the remaining offshore wind energy to reach the 2,400 MW goal.

NYSERDA is employing a scoring system that considers price and non-price factors, with each project scored according to a 100-point scale based on three criteria:

1. Project Viability: 10 points – Non-Price Evaluation
2. New York Economic Benefits: 20 points – Non-Price Evaluation
3. Offer Strike Prices: 70 points – Price Evaluation

The non-price evaluation components will be evaluated by a scoring committee. Project viability will be assessed in terms of whether the proposed project can reasonably be expected to be in service on or before the proposed Commercial Operation Date. To maximize the score received, proposers must demonstrate that project development plans are mature, and technically and logistically feasible, that they have sufficient experience, expertise, and financial resources to execute the development plans in a commercially reasonable and timely manner. New York Economic Benefits will be measured in terms of three considerations: (1) project-specific spending and job creation in New York State; (2) investment in offshore wind-related supply chain and infrastructure development in New York State; and (3) activities that provide opportunities for the New York offshore wind supply chain, workforce, and research and development.

Offer strike prices will be assessed in terms of a: (1) an index OREC price and; (2) a fixed OREC price. The index OREC price will vary monthly based on the value of Index OREC Strike Price specified minus the monthly Reference Energy Price and the monthly Reference Capacity Price. The fixed OREC price is based

on the fixed price specified by the proposer. In essence, the index OREC price is a contract for difference that considers relevant energy and capacity prices. The index OREC price will be given a weight of 0.9 and the fixed OREC price a weight of 0.1 to establish the weighted strike price for each proposal. Either OREC strike price option can be chosen at NYSERDA's discretion. NYSERDA's decision will be based upon its projection of the relative costs of the Fixed ORECs and Index ORECs over the life of the contract compared to the relative price risks of the Fixed ORECs and Index ORECs over the life of the contract. If the fixed OREC price option is chosen, the OREC price will remain for the entirety of the contract length. If the index OREC is chosen, the OREC will remain for the entirety of the contract unless the Index OREC price is invalidated.

This draft RFP will be open to public comment until Friday, October 5th, 2018. Subsequently, NYSERDA will review the public comments; refine the draft RFP; and publish a final RFP in Q4 of 2018.