

**REQUEST FOR PROPOSALS
TO PROVIDE ELECTRIC CAPACITY AND ENERGY
FROM A GREAT LAKES OFFSHORE WIND
GENERATING PROJECT**

December 1, 2009

Issued by the New York Power Authority



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New York Power Authority

**Request for Proposals to Provide Electric Capacity and
Energy from a Great Lakes Offshore Wind Generating Project**

I. Introduction and Background

The New York Power Authority (“Authority”) is a corporate municipal instrumentality and political subdivision of the State of New York that provides low-cost electricity to governmental agencies, municipal electric systems, rural electric cooperatives, manufacturers and to investor-owned utilities for resale without profit to retail customers across New York State. The Authority operates 18 generating facilities and more than 1,400 circuit-miles of transmission lines. In addition, the Authority is a nationally recognized leader in the development of clean and renewable energy technologies and the promotion of energy efficiency. It has committed more than \$100 million per year to energy services with cumulative investments aggregating to more than \$1.1 billion since the program’s inception.

In support of Governor Paterson’s goal to substantially reduce New York State’s dependence on fossil fuel for electric generation and to expand industrial economic development opportunities in upstate New York, the Authority is soliciting proposals for the development of utility scale (120 MW to 500 MW) wind generating projects (“Projects”) in New York State waters of Lake Erie and/or Lake Ontario. The Projects would interconnect with the transmission facilities of the Authority, National Grid (“NG”), New York State Electric & Gas (“NYSEG”) and/or Rochester Gas and Electric (“RGE”). For purposes of this RFP, the transmission facilities of the Authority, NG, NYSEG and RGE are jointly referred to herein as “NYISO Transmission System”. The Authority would purchase the full output of the Project under a long term Power Purchase Agreement (“PPA”).

The Authority reserves the right, in its sole discretion, to select one or more proposals pursuant to this RFP, or to decline to select any or all proposals for any reason or for no reason. The Authority also reserves the right, in its sole discretion, to withdraw or modify this RFP at any time.

Respondents should be aware that the market structure within the New York Control Area (“NYCA”) could change within the period of service contemplated by this RFP due to regulatory or judicial action, including but not limited to actions instituted by the New York Independent System Operator (“NYISO”), the market operator for the NYCA. Proposals cannot be contingent upon the continuation of any particular market structure for the NYCA.

II. Calendar of Events

Following is a listing of key events and target dates for this RFP:

EVENT	TARGET DATE
Issuance of RFP	December 1, 2009
Notice of Intent to Submit Proposal	March 20, 2010
Deadline for Submission of Questions	April 9, 2010
Proposal Due Date	June 1, 2010
Project(s) Awarded	December 2010
Completion of PPA Negotiations	May 31, 2011

Respondents intending to submit a proposal in response to this RFP are requested to send a Notice of Intent to Submit Proposal to the Authority via the Authority's Web site (<http://www.nypa.gov/NYPWindpower/GreatLakesWind.htm>), see "Great Lakes Offshore Wind RFP" on or before March 20, 2010. The notice should include the Respondent's name, address, phone number, e-mail address, and contact person. A Notice of Intent to Submit Proposal is not a pre-requisite for submitting a proposal.

Questions pertaining to this RFP should be submitted via the Authority Web site on or before April 9, 2010. Responses to questions will be posted on the Web site on a rolling basis. **It is the responsibility of Respondents to check the Authority Web site at <http://www.nypa.gov/NYPWindpower/GreatLakesWind.htm> regularly for responses to questions and any amendments to the RFP.** No other arrangement for questions and answers under this RFP is permissible.

III. Project Site Selection

The Authority has conducted preliminary wind resource studies, site screening studies, environmental studies and other technical studies with respect to the New York waters of Lake Erie and Lake Ontario to investigate potentially feasible locations for siting Projects. The Authority will post pertinent information from technical studies related to this matter on the Authority Web site as such information becomes available. Respondents are encouraged to regularly check the Authority Web site for these studies.

The Authority makes no guarantees concerning the accuracy or completeness of the information from technical studies made available by the Authority. Respondents are encouraged to verify the sources and methodologies employed in the technical studies made available by the Authority through independent means.

Exhibit A represents the Authority's preliminary assessment of the areas in the Great Lakes where sites for developing Projects (Project Site Areas") would be potentially feasible. While the Project Site Areas represent the Authority's preliminary assessment of potentially feasible locations for Projects, Respondents may propose Projects located anywhere in the New York State waters of Lake Erie and/or Lake Ontario (subject to certain restrictions such as shipping lanes and avian exclusions) that interconnect at any point on the NYISO Transmission System that can be demonstrated to provide sufficient capacity to receive the Project's energy output. The Respondent must provide justification for their proposed Project site/interconnection, inclusive of supportive technical details and studies.

The Point of Delivery ("POD") for the products purchased by the Authority pursuant to this RFP shall be the onshore substation connection to the NYISO Transmission System. Respondent shall be responsible for the installation of all interconnection facilities including offshore cables, substations and appurtenances as well as all onshore facilities up to and including the interconnection at the POD and for ensuring that the energy produced by the Project is deliverable to the POD. The cost of any substation upgrades required for the interconnection of the Project at the POD shall be the responsibility of the Respondent. If the POD is not at an existing substation on the NYISO Transmission System, Respondent shall be responsible for constructing a new substation as part of the interconnection to the NYISO Transmission System.

The Authority will assume responsibility for the cost of all NYISO Transmission System upgrades upstream of the POD, but not including the POD, required for the energy purchased from the Project to be deliverable to load centers and for the capacity associated with the Project to be recognized by the NYISO. However, in evaluating the individual proposals, the Authority will burden each proposal with the estimated costs of the related NYISO Transmission System upgrades that would need to be constructed in connection with proposed Project. For the avoidance of doubt, the Respondent will not be responsible for the cost of any transmission upgrades beyond the POD.

IV. Threshold Requirements

Respondents must meet all of the following Threshold Requirements for their proposals to be considered under this RFP. Proposals that do not meet all of the Threshold Requirements will not be evaluated.

1. Each Project proposed by Respondent must have a total nameplate generating capacity ranging from 120 MW to 500 MW Each Project in Respondent's proposal must be located completely in New York State waters of Lake Erie and/or Lake Ontario. (To the extent that a Project Site Area cannot accommodate the 120 MW minimum Project generating capacity, Respondents may propose multiple Project Site Areas that can jointly support at least 120 MW of generating capacity in the aggregate.)
2. Each Project in Respondent's proposal must be capable of successfully interconnecting with the NYISO Transmission System at the POD.
3. The Respondent must present a detailed plan for mitigating effects of a Project on the environment both during construction and operation.
4. Demonstrated ability to finance the proposed Project.

V. Respondent and Proposal Requirements

Following is a listing of the information that Respondents are required to provide in response to this RFP. A response that does not include all of the information set forth below may be deemed non-responsive and subject to rejection:

A. Administrative Requirements

1. An Executive Summary of Respondent's proposal including all key terms and conditions, prices and major milestone dates.
2. A detailed Integrated Project schedule from the date of proposal selection by the Authority to the commercial operation date, showing milestone dates, including but not limited to: Project design, permit approval(s), environmental studies, interconnection studies, lead times, financing parameters, Notice to Proceed, completion of the turbine supply agreement ("TSA") process, substantial Project completion, Project interconnection to the NYISO Transmission System, testing, commissioning and commercial operation.
3. A cover letter under which the Respondent agrees to be bound by the terms of the RFP (and its response to the RFP) that is signed by a representative authorized to bind the Respondent contractually.
4. The name, title, address, telephone number, e-mail address and fax number of the individual the Authority should contact concerning the Respondent's proposal.
5. The legal status of Respondent (corporation, partnership, limited liability company, etc.), date formed, jurisdiction of organization and identification of any affiliates.
6. A disclosure of any instances in which Respondent, any of its officers, directors or partners, or any affiliates was convicted of (i) any felony, or (ii) any crime related to the sale or purchase of power, Renewable Energy Credits ("RECs"), transmission or natural gas, conversion, theft, fraud, business fraud, misrepresentation, false

statements, unfair or deceptive business practices, anti-competitive acts or omissions or collusive bidding or other procurement or sale-related irregularities.

- 7.** A disclosure of any instances in which Respondent, any of its officers, directors or partners, or any of its affiliates defaulted or was deemed to be in non-compliance with any obligation related to the sale of purchase of power, RECs, transmission or natural gas or was the subject of a civil proceeding for conversion, theft, fraud, business fraud, misrepresentation, false statements, unfair or deceptive business practices, anti-competitive acts or omissions or collusive bidding or other procurement or sale-related irregularities.
- 8.** A detailed description of Respondent's business history, including the total capacity (in MW) of wind power generators that it has placed in commercial operation along with the total capacity of wind power generators that the Respondent currently operates or has operated within the past five years. Generators should be noted as onshore or offshore.
- 9.** Description of Respondent's project team responsible for designing, engineering, permitting, constructing, operating and maintaining the Project(s).
- 10.** Description of Respondent's plans to use suppliers and subcontractors located in New York State.
- 11.** A statement accepting the terms and conditions in the preferred Authority PPA ("NYPA PPA"), which is set forth in Exhibit B, with no material changes or alternately, identification of any exceptions taken to the NYPA PPA. If exceptions are taken, the Respondent must clearly note the specific provisions to which exception is taken and provide the specific alternate language for each such exception. The nature and extent of any exceptions taken to terms and conditions will be a factor considered in evaluating proposals. Respondents that demonstrate a willingness to accept the NYPA PPA with no, or few, exceptions will be given more favorable consideration.
- 12.** Specify the proposed term of the PPA, which may not exceed 20 years.
- 13.** Specify the proposed Commercial Operation Date(s) for the Project. As individual turbines may become commercially operable on different dates, proposals that phase-in commercial operation are acceptable.
- 14.** An indication of what information, if any, in the proposal is proprietary and confidential. Respondents are hereby advised that the Authority is subject to the New York State Freedom of Information Law ("FOIL"). Material marked "Confidential and Proprietary" will be treated as such to the extent consistent with the Authority's obligations under FOIL, other applicable law, regulation or legal process, and will not be disclosed by the Authority except as necessary for the evaluation of proposals.
- 15.** A written statement by the Respondent acknowledging that with respect to the Project, the Respondent shall be responsible for securing the Project site, financing (both construction and permanent financing), permitting, construction, operation,

maintenance, interconnection arrangements (unless the Authority assumes this responsibility – See Article VI), community relations, agreements with local authorities and decommissioning (unless the Authority assumes this responsibility – See Article VI).

16. A statement signed by an authorized representative of the Respondent stating that the proposal, including all pricing (subject to Section 9.h of this Article V) and specified escalators, if any, is firm through May 31, 2011.
17. A statement signed by an authorized representative of the Respondent confirming that the Respondent assumes all costs and risks for the delivery of products sold under the PPA to the POD.
18. A complete description of Respondent's plan for decommissioning the Project, including the plan for funding (and possibly bonding if necessary) such decommissioning.
19. Procurement Disclosure Requirements. See Exhibit C - Bidder/Contractor Compliance with New York Power Authority Policy Providing for Certain Procurement Disclosure. The Authority has adopted a policy providing for increased disclosure in the public procurement process. The Authority has determined that this RFP shall be subject to this policy. Therefore, each Respondent must complete Exhibit C in its entirety and return with Respondent's proposal.
20. Provide a completed Respondent Data Sheet. See Exhibit D.
21. Provide details of site acquisition and/or control.

B. Technical/Financial Requirements

1. Wind Turbines – Provide the following information with respect to the wind turbines that the Respondent plans to install:
 - a. A complete description of the process to be employed by the Respondent to select the wind turbine including the manufacturer and the particular turbine model.
 - b. The physical dimensions, weights and design loads of the turbine to the extent available. Provide details of the turbine models that may be utilized including a commercial description of the turbine technology along with hub heights, rotor diameters, name plate capacities and design standards.
 - c. The total capacity (in MW) that Respondent is proposing to install.
 - d. The estimated service life and design life of the turbine.
 - e. Remote dispatch and control capabilities of the wind farm.
 - f. A description of all failsafe systems in all conditions including runaway, lightning strikes, extreme tower vibration, blade imbalance, icing, and high winds. Demonstrate that the turbines will be in compliance with IEC 61400.
 - g. Commercial availability of turbines (back orders, proven technology).
 - h. OEM Warranties.

- i. Corrosion abatement capabilities specific to the proposed turbine.
 - j. Cold weather protection systems to be installed with the turbine.
 - k. The turbine procurement schedule.
 - l. Supply chain description (manufacturing locations, transportation).
- 2. Turbine Support Structures and Foundations – Provide the following information pertaining to the support structures and foundations that the Respondent plans to use for the Project:**
- a. A complete description of the design criteria, pertinent codes that will be applied, and the process employed by the Respondent to select the turbine support structure and foundation.
 - b. Information supporting similar foundation designs use for the same purpose as proposed, and if a new foundation design for this purpose, provide the basis for selection and associated risk profile.
 - c. Definition of the environmental design drivers.
 - d. The physical dimensions, weights and design loads of key components of the turbine support structure and foundation.
 - e. A listing of the construction/installation vessel requirements.
 - f. Strategy to acquire appropriate construction/installation vessels and to upgrade port facilities (if necessary).
 - g. Ice loading abatement strategies to be employed to secure both the towers and foundations.
 - h. Corrosion monitoring, prevention and abatement plan.
 - i. Projected service life and design life of the towers and foundations.
 - j. The tower and foundation procurement schedule.
 - k. Warranties.
- 3. Interconnection/Offshore Substation – Provide the following information with respect to the facilities interconnecting the Project’s Offshore Substation with the NYISO Transmission System:**
- a. Location and description of interconnection route(s), including landfall sites. Include a plan drawing indicating the location of facilities and right of ways.
 - b. A detailed description of how the Project will be interconnected with the NYISO Transmission System (e.g., connect to an existing substation, install a new substation at an existing line), and a description of the rationale for the interconnection cable route. Include a description of how Respondent will manage the NYISO interconnection process.
 - c. An electrical one-line diagram for the underwater cable and appurtenances to be located between the Offshore Substation and the POD.

- d. Distance from the Project's Offshore Substation to the POD. A map or site plan shall be provided to indicate probable routing of submarine and overhead lines to POD.
 - e. Offshore Substation and Onshore Substation technical parameters and requirements, design specifications, environmental mitigation measures and operating standards. Provide a description of how the facility will meet the functional specifications of the Transmission Owner (TO) at the POD including VAR's, LVRT (low voltage ride through) capability, ramp limits, and power quality specifications.
 - f. Description of new on-shore high voltage overhead line, if required.
 - g. Description of how the Respondent will engineer, design, permit, construct and commission the Offshore Substation.
 - h. Description of any emergency power supply and associated equipment.
 - i. Interconnection and inter-array cable types and ratings, maturation of technology and anticipated trenching or burial strategies. Description of vessels to be employed in installation of the cables.
 - j. Cable protection devices to be employed.
 - k. Proposed location of converter station (if HVDC).
 - l. Demonstration that the proposed interconnection is in compliance with NYISO, NPCC and NERC reliability and interconnection standards as well as those of the TO.
 - m. Procurement plan and lead times for interconnection cables and equipment.
 - n. Describe arrangements for securing necessary rights-of-way.
 - o. Schedule for completing the NYISO interconnection studies and the negotiation of the NYISO three-party Interconnection Agreement.
- 4. Site Plan – Provide a detailed map of the Project Site Area and a full and complete description of the activities that Respondent will undertake to locate and secure the specific area in which the Project will be located reflecting considerations for:**
- a. Water depth.
 - b. Winds, waves and currents.
 - c. Geotechnical evaluation plan.
 - d. Project distance from shore.
 - e. Interconnection arrangements.
 - f. Arrangements for leasing lakebed for Project.
 - g. Right of way agreements for on-shore overhead lines, if required.
 - h. Lease or acquisition of land for interconnection stations on shore.
 - i. Site layout drawing showing locations of significant project facilities including transmission facilities and access points. If facility coordinates are not confirmed at this time, a footprint indicating the potential area should be submitted.

- j. Wildlife and public acceptance issues.
- 5. Balance of Plant Plan-** Provide the following information for the Balance of Plant, specifically, the electrical collection system, offshore substations, onshore substations, staging and construction areas and the operation and maintenance facilities:
- a. Description of other project components (cabling, meteorological tower(s), communications systems, SCADA).
 - b. Project design, including tentative layout of turbines, offshore substation, cabling, etc.
 - c. Supply chain description (manufacturing locations, transportation).
- 6. Construction Plan –** Provide the following information with respect to planned Project construction arrangements:
- a. Provide general overview of all aspects of the Construction Plan from commencement of construction to testing and commissioning of the Project.
 - b. Describe the contracting strategy to be employed (i.e., EPC, other) and provide an organizational chart.
 - c. Specify the details of construction/installation vessel and crew requirements.
 - d. Provide details of vessel design and availability schedule. Confirm the vessel utilization schedule is within the vessel availability schedule.
 - e. Confirm vessel access (including seasonal issues).
 - f. Describe any potential construction/installation vessel restrictions associated with the St. Lawrence Seaway and the Welland Canal and how any issues will be resolved.
 - g. Provide a detailed Project equipment procurement schedule.
 - h. Specify construction description and mitigation strategies.
 - i. Provide detailed schedules for construction, testing and commissioning the Project.
 - j. Supply information on anticipated port(s) for construction and on access including any restrictions on access and availability of rail service.
 - k. Describe staging areas for assembly of turbine components and foundations. Show on the site plan.
 - l. Show plan for meeting storage and lay-down requirements.
 - m. Document that adequate insurance will be in place for all phases of construction process.
 - n. Confirm compliance with the Jones Act.
- 7. Permitting and Licensing Plan –** Provide following details of Respondent’s proposed Permitting and Licensing Plan:
- a. A listing of all environmental, regulatory and other agency/municipal permits, approvals and certifications required for construction and operation

of the Project(s) and the proposed schedule for securing each of the foregoing.

- b. A listing of environmental studies likely to be conducted in support of the environmental impact assessment application process.
- c. Identify the lead agency for the New York State SEQRA Process (Note – (i) the Authority will not take a lead agency role in this project; and (ii) a PPA will not be executed by the Authority until the Project has successfully completed the required environmental review and secured the requisite findings and consents).

8. Financing Plan – Provide the following information concerning Respondent’s plans for securing both short-term (development and construction) and long-term financing for the Project:

- a. A detailed description of proposed short- and long-term financing arrangements. A list of all equity partners, sources of equity and debt, debt structure.
- b. Demonstrate that financial arrangements are sufficient to support the Project through construction and the PPA term.
- c. Describe plans for financing the decommissioning of the Project at the end of its useful life.
- d. Show proposed capital structure for the Project.
- e. A schedule showing all major projects (including all wind generation projects) developed and financed by Respondent in the past ten (10) years.
- f. Provide details of any events of default or other credit issues associated with any projects listed in item 8.e.
- g. Identify proposed guarantor(s) for the Project and provide documentation of the guarantor’s creditworthiness including the three (3) most recent audited financial statements of the guarantor).
- h. Information concerning the Respondent’s financial condition and evidence of creditworthiness including its three (3) most recent audited financial statements.
- i. Include four references from prior projects developed by the Respondent that employed financing arrangements similar to the arrangements contemplated by the Respondent for the Project.

9. Pricing – Proposals should include a full and complete description of the Respondent’s pricing including:

- a. The fixed capacity charge (in \$/kW-mo.) for the installed capacity made available by the Respondent each month.
- b. The fixed energy price (in \$/mWh) for energy delivered each month by the Respondent to the POD.

- c. The fixed price for RECs (in \$/mWh) provided by the Respondent each month.
- d. The applicable annual escalator to the extent that any of the components listed in Sections 9 a, b, and/or c above is subject to an annual escalation adjustment.
- e. If the proposed pricing relies upon the Respondent receiving certain tax credits (e.g., Production Tax Credit, Investment Tax credit), provide a description of such tax credits. In addition, provide pricing for installed capacity, energy and RECs if the subject tax credits were not available.
- f. Advise as to the availability of funds from the American Recovery and Reinvestment Act, or other financial incentives, for the Project and the impact on the proposed pricing associated with the receipt by the Respondent of such funds.
- g. Performance guarantees to ensure that the Authority realizes the agreed upon contract capacity and the minimum annual energy output and that availability targets are met. Proposals should include penalty mechanisms in the event that individual performance guarantees are not met. Respondents may also propose incentive mechanisms for exceeding performance guarantees.
- h. The Authority prefers proposals that include firm pricing that is not indicative and not subject to adjustment at any time (See Article VII “Authority Preferences”). However, as the Authority recognizes that responses to this RFP may be due prior to the completion of all the requisite technical studies by the Respondent, the pricing initially submitted in responses to this RFP may be indicative. To that end, and if necessary, Respondents are permitted to adjust the proposed pricing accordingly upon completion of the necessary technical studies. Any such pricing adjustment is limited to a single adjustment (i.e., one time only) and must be accompanied by a detailed explanation as to the basis for the adjustment. The Authority reserves the right to reject any previously selected proposal if the Authority, in its sole discretion, determines that any pricing adjustment implemented by the selected Respondent pursuant to this provision is unacceptable.

10. Environmental Impacts Plan - Provide detailed feedback on the following topics with respect to Respondent’s plan for addressing the environmental impacts of the Project:

- a. A detailed review of the processes and studies to be undertaken to assess the potential environmental impacts of the Project, Project footprint plan drawing showing the affected areas for construction and operation and any alternatives that are being considered to mitigate impacts.

- b. Submit a pre-construction lakebed analysis and a post-construction lakebed monitoring program (monitoring scouring and flora/fauna changes) for the particular area in which Respondent intends to site the Project.
- c. Provide analyses of (i) aquatic life impacts, (ii) avian/bat impacts and (iii) commercial and recreational fishing impacts of the Project.
- d. Show how Coast Guard and FAA lighting requirements will be incorporated in the Project.
- e. Visual/aesthetic impacts and the role of viewshed analysis and photosimulations associated with the Project.
- f. Provide detailed plan for fuel/oil spill prevention and spill response containment procedures associated with construction and maintenance vessels and any oil-filled electrical equipment that would support the Project.
- g. Pre-construction monitoring and analysis of avian and bat migration pathways and analysis of impacts.
- h. Post-construction monitoring and analysis of avian and bat impacts.
- i. Recognition of NYDEC “Guidelines for Conducting Bird and Bat Studies at Commercial Wind Energy Projects” and USFWS “Guidelines to Avoid and Minimize Wildlife Impacts from Wind Turbines”.

11. Operation and Maintenance Plan – Provide the details of the Respondent’s plan for operation and maintenance of the Project that will ensure that high levels of safety, environmental protection, equipment availability and performance will be achieved, including the following information:

- a. A detailed description of the O&M Plan including the applicable arrangements during the turbine supplier warranty and post-warranty period.
- b. Specify location(s) (e.g., specific ports) and provide descriptions of O&M facilities.
- c. Describe plans for maintenance vessel design and availability (including seasonal considerations) and home port locations.
- d. Show scheduled maintenance plans including minimum/maximum planned outages.
- e. Specify anticipated response times for unscheduled maintenance events and limiting factors, with consideration of weather-related conditions.
- f. Include plans for staffing, spare parts supply, remote dispatch and control and emergency power supply.
- g. Provide details of start-up and shut-down modes and design logic for the turbines.
- h. Show emergency array interconnection cable repair plan.
- i. Document safety and emergency rescue plan.
- j. Provide QA/QC strategies.

- k. Describe arrangements for meteorological/lake state monitoring and forecasting, along with ongoing monitoring programs for safety and environmental compliance.
 - l. Adaptive management plan for minimizing impacts to wildlife.
 - m. Plans for avian and bat monitoring.
- 12. Capacity and Energy Output** – As a detailed forecast of the products to be supplied from the Project is important to the Authority for planning purposes, provide the following information:
- a. Projected annual gross and net energy generation (as measured at the POD) from the Project as well as annual capacity factors for the proposed term of the PPA at the point of delivery to the NYISO System. Provide the gross to net calculations and losses considered.
 - b. Show the basis for the projections along with the calculation methodology for computing projected annual energy amounts provided in 13.a.
 - c. Provide the climate shut-down constraints such as cold weather, high winds and storms, waves, icing, and lightning.
 - d. Provide a statement as to the certainty and probability of wind evaluation and energy projections. State the source or third party that provided the calculations and assessment.
 - e. Estimated monthly and hourly energy outputs from the Project (as measured at the POD) for a typical calendar year, the diurnal pattern of wind/energy generation, as well as a single year time-power series graph or table.
 - f. Expected peak capacity ratings (MW) of the Project for the summer and winter periods (as measured at the POD).
 - g. The aggregate nameplate capacity (MW) for the Project along with the nameplate capacity for each turbine.
 - h. Expected availability factors (12 month rolling average) for the individual turbines and the overall Project to the extent available.
 - i. The turbine manufacturer's guaranteed availability.
 - j. The projected number of hours annually for all outages (scheduled and forced) for each turbine.
 - k. As NYPA intends to bid the products produced by the Project into markets administered by the NYISO, describe how the installed capacity and energy provided by the Project will comport with NYISO rules.
 - l. If the Project has the capability to supply Ancillary Services (as defined by the NYISO), specify the particular Ancillary Services that the Project has the capability to supply and describe how such Ancillary Services would be provided.
 - m. Power quality factors (VAR's, LVRT, ramping capabilities etc.).

- 13. Community Outreach Plan** - Provide a full description of Respondent's plan to secure community support for the Project including the following:
- a. A detailed description of Respondent's planned approach to managing the potential impact on affected communities and interested parties. If Sovereign Nation lands are impacted, address outreach to these groups in the plan.
 - b. A description of any community outreach activities that the Respondent has conducted prior to submitting its proposal in this RFP.
 - c. In the event that Respondent's proposal is selected by the Authority, a description of Respondent's planned activities after selection and how it would coordinate such activities with the Authority.
 - d. A description of the plan for educating affected communities about the Project.
 - e. Include plans to secure community input about Project on an ongoing basis.
 - f. Include plans to integrate community needs and concerns into Project planning.
 - g. Include plan for using local labor and materials.
 - h. Explain economic development opportunities associated with Project to the community.
 - i. Prepare mitigation plan associated with local siting and permitting issues for community review.
- 14. Economic Development Plan** – Provide a complete description of Respondent's plans to optimize the economic development opportunities associated with the project, including:
- a. The estimated percentage of the Project material that will be sourced locally.
 - b. The estimated percentages of local labor that will be involved in the construction of the Project and the ongoing operation and maintenance of the Project.
 - c. The development of wind generating facilities and component manufacturing in New York State.
 - d. The construction and maintenance of wind project installation and maintenance vessels in New York State.

C. Qualifications of Respondent

1. Respondents should demonstrate the capability to develop, design, finance, construct, operate and maintain an offshore wind project by providing the following information:
 - a. Complete documentation of Respondent's wind project development, design, finance, construction and operating experience.

- b. Verification of Respondent's financial soundness.
- c. A proposed organizational chart showing the Project team along with the resume and Letter of Commitment pertaining to each team member.
- d. Three wind industry references.
- e. Documentation showing that Respondent is in compliance with the Authority's Procurement Disclosure Requirements.

VI. Pricing Options

1. The pricing requested in Section 9 of Article V.B is predicated on the Respondent assuming responsibility for all Project costs, including (i) interconnection costs comprising the cost of the undersea cable and appurtenances connecting the Offshore Substation to the NYISO Transmission System at the POD; (ii) the cost and responsibility of decommissioning the Project at the end of its useful life; and (iii) all study costs. However, the Authority will consider, at its sole option, assuming the responsibility for all or certain of the three foregoing cost components with a commensurate adjustment to the Respondent's proposed pricing. Accordingly, for each of the following three items, the Authority is requesting that the Respondents specify the reduction to the proposed pricing in Section 9 that would apply if the Authority were to assume cost and performance responsibility for the particular item:
 - a. Interconnection Costs – includes the cost of electrically interconnecting the Project's Offshore Substation with the NYISO Transmission System at the POD (including any related permitting and licensing costs),
 - b. Decommissioning Costs – includes the cost of dismantling, removing and disposing of the Project at the end of its useful life.
 - c. Study Costs – includes costs of geophysical studies (hydrographic mapping, bottom soil sampling), wind measurements, avian studies, other environmental /wildlife studies and interconnection studies (including NYISO Interconnection Process Studies). Respondent should be specific about the type and level of detail of the studies included in this price option.
2. While the submission of the pricing specified in Section 9 of Article V, along with providing the price impacts associated with the three Authority options discussed above, are mandatory requirements of this RFP, Respondents may also propose a Turnkey Pricing arrangement whereby upon commercial operation, the Authority would purchase the Project from the Respondent for an amount to be proposed by the Respondent as part of the response to this RFP. Submission of a Turnkey Pricing proposal is not a requirement of this RFP.
3. In addition to the foregoing, any other pricing proposals that would facilitate the development of the Project at the lowest cost to the Authority will be considered.

VII. Authority Preferences

The Authority will give more favorable consideration to proposals that:

1. Produce long term economic benefits for the region.
2. Projects that have a high probability of helping to achieve New York State's energy policy goals of utilizing renewable, alternative energy sources as an increasing component of the State's overall energy resource mix.
3. Projects that have a high probability of achieving commercial operation by 2015.
4. Projects that will encourage the development of a wind generation component manufacturing industry in upstate New York.
5. Pricing that is firm, i.e., not indicative.
6. Commit to using local labor and materials.
7. Accept the NYPA PPA with no or minimal changes.
8. Provide price certainty (e.g., without an indexed escalator).
9. Have a high likelihood of community and public acceptance.

VIII. Proposal Evaluation and Selection Process

All proposals will be reviewed pursuant to a multi-phase evaluation process established by the Authority. A Selection Committee comprised of Authority employees and consultants will first perform a preliminary screening of Respondent qualifications followed by the development of a detailed matrix summarizing the qualitative and quantitative attributes of each proposal, resulting in a ranking of the proposals. In addition to Authority preferences set forth in Article VII, the Selection Committee will evaluate pricing options and other non-price factors including, environmental, regulatory, credit, constructability and technology risks. The Selection Committee will establish a short list of the ranked proposals which will undergo a comparative qualitative and quantitative assessment which will culminate in a recommendation for selection to the Authority's senior management. In addition to the foregoing, the following key evaluation criteria that will be considered by the Selection Committee in this RFP:

- Overall completeness, clarity and quality of the proposal and responsiveness to the RFP.
- All-in economic value of the capacity, energy and RECs from the Project.
- Respondent's demonstrated record and depth of experience in developing, owning, and operating wind generating facilities.
- Respondent's demonstrated record and depth of experience in developing offshore projects.
- Respondent's financial condition and creditworthiness.
- Respondent's demonstrated ability to achieve commercial operation of the Project on schedule.

- Price certainty and risk of price increases.
- Degree of acceptance of NYPA PPA.
- Deliverability of Project energy to load sites.
- Impact on the environment.
- Impact of the project on the State and local economy.
- Predictability of energy supply from the Project.
- Community outreach plan.
- Economic development benefits.

The Selection Committee may offer Respondents the opportunity to clarify proposals to ensure that the committee fully understands the proposal. In addition, the Selection Committee may conduct interviews of the Respondents with short-listed proposals to further evaluate the proposal and the Respondent. Respondents selected for an interview will be notified in advance of the proposed interview date.

All Respondents will be notified, in writing, once the successful Respondent(s) has been selected.

IX. Proposal Instructions and Conditions

A. Limitations

1. A response to this RFP cannot form the basis of, or constitute a binding arrangement and does not commit the Authority to award a contract, pay any costs incurred in the preparation of a proposal, or procure or contract for product or services of any kind whatsoever. The Authority reserves the right, in its sole discretion, to accept or reject any or all responses to this RFP, to negotiate with any or all firms considered, or to cancel this RFP in whole or in part. The Authority reserves the right to request additional information from any or all Respondents and to enter into discussions or interviews with any one or more Respondents.
2. Respondents may be requested to clarify the contents of their proposal. Other than to provide such information as may be required by the Authority, no Respondent will be permitted to alter its proposal or to add new information after the proposal due date.
3. A Respondent may be required to participate in negotiations and to submit any price, technical or other revisions to its proposal which may result from such negotiations.
4. All material submitted in response to this RFP will become the sole property of the Authority.

5. Should the Authority be unsuccessful in negotiating a PPA with the selected Respondent(s) within an acceptable time frame, the Authority reserves the right to begin PPA negotiations with one or more other Respondent(s).
6. Execution of a final, binding PPA shall be subject to the approval of the Authority Trustees.

B. Proposal Submission

1. A cover letter, as described in Article V, Respondent and Proposal Requirements shall be submitted.
2. Non-responsive proposals include, but are not limited to, those that:
 - a. are irregular or not in conformance with RFP requirements and instructions;
 - b. are conditional;
 - c. are incomplete ;
 - d. include willful misrepresentations ; and
 - e. are not submitted on time or are submitted at any time via facsimile or e-mail.
3. The Authority may waive minor informalities or irregularities in a proposal that are a matter of form and not substance and the correction of which would not be prejudicial to other Respondents. Failure to submit a proposal on time will not be waived by the Authority under any circumstances (e.g., traffic conditions, mail or courier failure).
4. Three hard copies of the Respondent's proposal, and one CD-ROM of the proposal in searchable text format (e.g., Word, searchable PDF) must be mailed, sent by courier, or hand-delivered so that they are received by the Authority at the address below by 3:00 p.m. Eastern Time on June 1, 2010. All proposals must be in a sealed envelope marked as "Great Lakes Offshore Wind Generating Project" and addressed to :

Jordan Brandeis
Vice President, Power Resource Planning and Acquisition
New York Power Authority
123 Main Street
White Plains, NY 10601

C. Administrative Specifications

1. All proposals must be valid through May 31, 2011 and signed by an authorized officer of the Respondent.
2. The successful Respondent must agree to provide the Authority with audit access on request during the term of the PPA and for three years thereafter.

D. Addenda: Errors and Omissions

If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in this RFP, the Respondent should immediately notify Mr. Jordan Brandeis, in writing, of such error and request clarification or modification to the RFP. Should the Authority find it necessary, modification to the RFP will be made by written addenda. Such modifications will be posted on the Authority's Web site. Respondents are encouraged to check the Authority Web site on a regular and frequent basis

The Authority will not provide reimbursement for any costs or expenses incurred in connection with this RFP, including the costs of preparing and submitting a proposal, providing any additional information or attending an interview. All material that is submitted in response to this RFP will become the sole property of the Authority. The Authority expressly reserves the right to utilize any and all ideas submitted in the proposals received unless covered by legal patent or proprietary rights, which must be clearly noted in the proposal submitted in response to this RFP.

X. Communication During the RFP Process

The Authority's sole contact person for this RFP is Jordan Brandeis who can be reached at:

Telephone: (914) 681-6413

Fax: (914) 390-8156

E-mail: jordan.brandeis@nypa.gov