2025 Senate Roundtable

on New York's Climate Law Goals

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TESTIMONY of

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Thank you for the opportunity to testify today. My name is Nick Guarigli, and I am the Advocacy Manager for the New York Offshore Wind Alliance (NYOWA). Our members are committed to advancing offshore wind in New York in a timely and responsible manner. Our governing body is made up of industry developers of offshore wind and environmental NGOs that work to promote and advocate for the development of offshore wind in New York State.

We are here at a pivotal moment. At the federal level, permitting for offshore wind projects is facing headwinds. This uncertainty threatens to delay clean energy build-out across the country. But in New York there are many steps we can take to advance the CLCPA's goals that do not need federal assistance as we wait for more favorable federal conditions. New York State has the tools, the resources, and the policy authority to move forward with the work that is within our control—particularly transmission upgrades, state procurement reform, infrastructure funding for port and manufacturing facilities, and state support to derisk the predevelopment phase of generation projects. Acting now will stabilize the industry, create jobs, and ensure that New York remains a leader in clean energy even during federal headwinds.

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1. **Upgrade and Coordinate Transmission Infrastructure**
    - The downstate electrical grid is not only outdated as many transmission lines have not been updated for decades, the corridors to "plug in to" New York City's grid is congested and there are not many access points. This is a barrier to bringing offshore wind to New York State.

- Transmission projects like Propel NY, and the NYC Public Policy Transmission Need (NYC PPTN) are important to develop now. Awarding these projects and approvals of permitting process are essential for allowing offshore wind to connect in an efficient way to the grid.
- Offshore wind developers have been asked to develop the transmission lines that connect into the New York State grid within the procurement process. This is an extra cost that is eventually passed to the ratepayers in a piecemeal style. Having a coordinated transmission process will allow for multiple developers to utilize an easier connection process. Reducing the overall cost of energy generation projects.
- Past underinvestment in transmission has led to massive upgrade needs today, which are driving ratepayer increases. Investment in the transmission infrastructure today will be cheaper than waiting until there is a change in federal administration. Also, large-scale transmission projects take multiple years to develop, this process needs to start now so that they can be ready for future offshore wind generators.
- Projects such as the Queensborough Express and Propel NY are in the permitting process. Restarting the NYC PPTN project and awarding a bid would be critical to providing NYC with offshore wind as we know that transmission cabling is challenging when working through New York Harbor.
- Strong coordination between state agencies, NYISO, utilities, and municipalities is essential. This includes:
    - Aligning bulk and local system planning through the CGPP process;
    - Strengthening interregional planning with neighboring states;
    - Engaging communities early and often to address misinformation and build support; and
    - Ground-truthing cost estimates with real vendor data to ensure that investments are cost-effective. The benefits far outweigh the costs. NYISO has estimated that transmission upgrades could save New Yorkers $40–70 billion in production costs alone—before factoring in public health, environmental, and economic benefits. Planning now for this legacy-scale infrastructure will stabilize our clean energy sector and protect ratepayers long-term.

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2. **Procurement Reform**
    - Current procurement processes are rigid and impose unnecessary risk.
    - There needs to be more coordination between state agencies to properly align various costs associated with the bidding process.
        - It is critical that timelines for offshore wind solicitations, coordinated transmission proposals that seek to enhance offshore wind power injection, and NYISO Interconnection Cluster studies are aligned to ensure that the full benefits of such efforts are effectively captured. Aligning these timelines will also prevent developers from taking on undue risks which can increase project costs.
          For example, critical NYISO interconnection study milestones and decision points are scheduled before developers receive NYSERDA solicitation outcomes. With the new NYISO cluster rules, developers are faced with increasing financial commitments to maintain queue positions before securing OREC contracts and before receiving clarity on transmission upgrades. One potential solution would be for NYSERDA and the NYISO to establish temporary or placeholder queue positions at a prescribed injection capacity on behalf of the sector to allow the NYISO to conduct model cluster studies and establish interconnection costs. The successful winner of future offshore wind solicitations would then utilize the POI and assume the costs of the determined upgrades. This would help provide certainty on grid interconnection costs ahead of solicitation submittals and be a cost-effective approach to optimize project proposals.
    - NYOWA will work with NYSERDA to reform the structure and rigidness of the current procurement process, some of the goals that we hope to achieve are:
        - Ensure contracts are flexible and adaptable;
        - This is especially important when linking procurement to various transmission projects when it comes to providing backstops and off-ramps if the Commercial Operation Dates (COD) of any transmission project is delayed. Without these conditions, energy generation developers face significant economic risk that is out of their control.

- Financial commitments that would be enforced by NYSERDA on offshore wind developers for schedule delays, including requirements to (1) forfeit contract securities, (2) pay additional incremental securities for time delayed and (3) provide economic benefit commitments on time, must also be considered. NYSERDA should allow the extension of such timelines if delays are a result of NYC PPTN projects.
- Fully decouple projects from supply chain mandates that limit competitiveness.

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3. **Reducing Risk for Renewable Energy Development & Smart Investment**
    - Offshore wind projects in New York take on significant upfront risk, seeing that much of the financial commitments come in the early planning stages and the permitting process is lengthy on both the federal, state and local level. The industry understands that the RAPID Act regulations are aimed at streamlining the permitting process and will attempt to reduce permitting length while not skirting the environmental protections in place. The State can reduce these risks by simplifying requirements, streamlining permitting, and updating procurement processes.
    - In addition, we are asking the State to utilize the $500 million already allocated through NYSERDA for offshore wind development.
        - These funds have been designated for the development of the offshore wind industry through investments in supply chain, manufacturing, port development, and other industry initiatives. NYOWA supports that the State and NYSERDA work with the developer community to properly design a way for these funds to be distributed towards pre-development activities so that the upfront risk that developers have been taking recently can be lessened and they can still actively participate in the New York market.
        - Using this money now to support early-stage work will reduce costs, de-risk projects, and send a powerful signal of stability to developers at a time when federal uncertainty is holding back progress nationally.

- Allocating more funding that can be granted through various state agencies will help many different supply chains continue to build a network that will lessen the cost of projects through manufacturing development, port construction, and pre-development activities for energy generation.
- Minimizing risk will send a clear message that New York is open for business, encouraging investment and creating economic opportunity.

Conclusion

In this period of federal headwinds, New York has the chance to lead. By modernizing and coordinating our transmission system, streamlining permitting, reforming procurement, and deploying already-allocated state funds, we can stabilize offshore wind development, create jobs, and shield ratepayers from unnecessary costs. New York has proven itself a clean energy leader before. If we take these steps now, we will safeguard that leadership, ensure investment continues to flow into our state, and build an energy system that will power New York for generations.

Thank you for your time and attention. I welcome your questions.