

August 19, 2020
VIA ELECTRONIC DELIVERY

New Jersey Board of Public Utilities
44 S. Clinton Avenue
Trenton, NJ 08625
Osw.Stakeholder@bpu.nj.gov

Re: EnBW NA Comments to New Jersey Second Solicitation Guidance Document

Dear President Fiordaliso:

EnBW North America, Inc. respectfully submits the following comments and recommendations concerning the New Jersey Board of Public Utilities' ("NJBPU") draft guidance document for New Jersey's second solicitation to procure offshore wind in 2020, released on July 22, 2020.

EnBW North America is a subsidiary of EnBW AG, a German utility and leading offshore wind developer with a portfolio of nearly 1,000 MW of offshore wind projects operating in Europe and more than 3,000 MW under development globally. EnBW AG, which built Germany's first commercial scale offshore wind project in 2011 and recently finished commissioning Germany's largest offshore wind project, is also developing a 900 MW offshore wind project in the North Sea that will not require any government subsidies.

EnBW North America has established offices in Jersey City and Boston to pursue offshore wind opportunities in the Northeast. On the West Coast, EnBW North America is the majority owner of Castle Wind, the nation's first proposed floating offshore wind project off Morro Bay, California. EnBW North America, on behalf of our project company East Wind LLC, herein submits its comments and recommendations in response to and in support of NJBPU's draft guidance document regarding offshore wind procurement in 2020.

New Jersey's ambitious clean energy and climate goals are leading the nation and have set a policy north star for other states looking to establish renewable energy and CO₂ reduction targets in the decades ahead. We are committed to be a part of the State's offshore wind future, and we plan on actively contributing to the local economy, job growth, and development of a strong and diverse supply chain.

Wait to Procure More Offshore Wind until after BOEM New Jersey / New York Bight Offshore Wind Lease Auction

EnBW North America endorses and supports NJBPU's moves towards a second solicitation to successfully meet these State targets, but we respectfully recommend that NJBPU pursue a more limited solicitation in 2020, in line with Governor Murphy's offshore wind procurement schedule announced in February 2020, and wait until after the BOEM New Jersey / New York Bight offshore wind lease auction in 2021 to hold a more significant solicitation.

By waiting until after BOEM's New Jersey / New York Bight lease auction in 2021, New Jersey will be able to take advantage of the benefits of a more competitive offshore wind market, including:

1. Additional market participants competing to deliver the best project proposals at the most competitive price;

2. Optionality for New Jersey to choose projects that best meet local needs and interests;
3. Likelihood of reducing costs for ratepayers due to greater competition;
4. Expectation that multiple offshore wind supply chain companies will have established operations in the Northeast thereby reducing costs; and
5. Prevent the formation of monopolies that could stifle competition in the offshore wind market.
6. Lastly, with an increased potential of a federal investment tax credit being extended in 2021 it would allow for more participants to utilize the incentive and thereby translate into additional savings for New Jersey ratepayers.

Also, solicitations post-2020 will take advantage of several important efforts that the State is currently undergoing this year to reduce costs and environmental impacts, and to grow local investments in ports and a supply chain.

Waiting until after the BOEM Auction will provide more time for offshore wind developers to understand the development and capacity of the New Jersey Wind Port.

We appreciate that New Jersey needs to continue issuing solicitations for offshore wind in order to meet its 7.5 GW target to combat the climate change emergency; however, we believe that the benefits in terms of competition, cost, economic benefits, and transmission planning, all point towards a 1,200 MW solicitation as planned by Governor Murphy in 2020 and a larger solicitation after the BOEM lease auction in 2021. We also want to acknowledge the statement in the draft guidance document which states that "The Board reserves the right to select less than 1,200 MW," and would urge the NJBPU to not select projects that are not competitive given the high likelihood for additional market participants in the years ahead.

Thank you again for taking comments and recommendations as New Jersey plans and adapts their offshore wind priorities over the coming year. If you need any additional clarity on our responses or have other questions, please do not hesitate to contact me at (617) 415-4111 or w.white@enbw.com.

Sincerely,



William H. White
President & CEO
EnBW North America, Inc.

CC: Board.Secretary@bpu.nj.gov