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CASE MANAGEMENT

AUG 20 2019



BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Ira G. Megdal

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FORWARD
CASE MANAGEMENT
August 19, 2019

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VIA HAND DELIVERY
BOARD OF PUBLIC UTILITIES
TRENTON, NJ

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AUG 20 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Aida Camacho-Welch
Board Secretary
Board of Public Utilities
44 South Clinton Ave.
3rd Floor, Suite 314
PO Box 350
Trenton, NJ 08625-0350

**Re: In the Matter of the Board of Public Utilities Offshore Wind Solicitation for
1,100 MW – Evaluation of the Offshore Wind Applications
BPU Docket No. QO18121289**

Dear Secretary Camacho-Welch:

This firm represents Ocean Wind, LLC (“Ocean Wind”) in connection with the above referenced matter

Pursuant to N.J.A.C. 14:1-12.1 et seq., we hereby submit on behalf of Ocean Wind a Public Copy and a Confidential Copy of Ocean Wind’s Petition for Authorization to Procure Capacity Interconnection Rights (the “Petition”).

With this letter is an unmarked envelope addressed to:

Records Custodian
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625

Therein is an envelope marked “Confidential” which contains the “Confidential Copy” of the Petition. This too is addressed to:

Records Custodian
Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, NJ 08625

CMS
J. Boyd, Esq.
P. Owen, Esq.
Clean Energy Conf.

LEGAL\42493976\1

Aida Camacho-Welch
August 19, 2019
Page 2

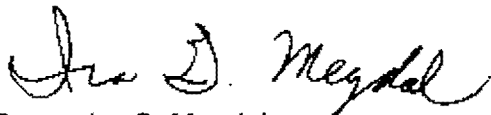
Also enclosed please find the Affidavit of Jens Gravgaard, Project Development Director of Ocean Wind.

The party designated to receive notices and other communications in connection with this matter is as follows:

Ira G. Megdal, Esq.
Cozen O'Connor
LibertyView, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
(856) 910-5069

Sincerely,

COZEN O'CONNOR, PC



By: Ira G. Megdal

IGM:kn
Enclosure

CIR APPROVAL PROCESS CONFIDENTIAL INFORMATION

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

BEFORE THE
STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE BOARD OF
PUBLIC UTILITIES OFFSHORE WIND
SOLICITATION FOR 1,100 MW –
EVALUATION OF THE OFFSHORE
WIND APPLICATIONS

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BPU DOCKET NO.: QO18121289

PETITION FOR AUTHORIZATION TO PROCURE
CAPACITY INTERCONNECTION RIGHTS

COZEN O'CONNOR
Attorneys for Petitioner
Ocean Wind, LLC
By: Ira G. Megdal, Esquire
Liberty View, Suite 300
457 Haddonfield Road
Cherry Hill, NJ 08002
(856) 910-5000

Gregory Eisenstark, Esquire
One Gateway Center
Suite 200
Newark, NJ 07102
(973) 200-7460

BEFORE THE
STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE BOARD OF :
PUBLIC UTILITIES OFFSHORE WIND :
SOLICITATION FOR 1,100 MW – :
EVALUATION OF THE OFFSHORE : BPU DOCKET NO.: QO18121289
WIND APPLICATIONS :
:

PETITION FOR AUTHORIZATION TO PROCURE
CAPACITY INTERCONNECTION RIGHTS

Ocean Wind, LLC ("Ocean Wind" or the "Petitioner") is the owner of a Qualified Offshore Wind Project ("QOWP") pursuant to N.J.S.A. 48:3-87.1 et seq. Ocean Wind is a Delaware limited liability company, with its principal office at 520 Pacific Avenue, Atlantic City, N.J. 08401. Ocean Wind hereby petitions this Honorable Board ("Board" or "BPU") for authorization to procure the Capacity Interconnection Rights ("CIRs") referred to in this Petition. In support thereof, Petitioner states as follows:

I. BACKGROUND

1. By an Order in this docket dated June 21, 2019 (the "June 21 Order") the Board considered the responses to its solicitation (the "Solicitation") for 1,100 MW of offshore wind ("OSW") capacity, in furtherance of Governor Phil Murphy's Executive Order No. 8 (2018) ("Exec. Order No. 8"). Exec. Order No. 8 called upon the Board to fully implement the Offshore Wind Economic Development Act of 2010 ("OWEDA") and to proceed with the Solicitation of 1,100 MW of OSW capacity as a first step in meeting the State's goal of 3,500 MW of OSW capacity by 2030. By the June 21 Order the Board approved the Ocean Wind 1,100 MW Project.

2. In addition to approving Ocean Wind's Project, the June 21 Order stated, in pertinent part, as follows:

The Board acknowledges Ocean Wind's proposal to mitigate the costs of transmission system upgrade costs through the use of

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Capacity Interconnection Rights (CIRs). At the time of this Board decision, the availability and price of CIRs are unknown. The Board recognizes that Ocean Wind's ability to obtain CIRs at good value has the potential to yield significant economic benefits for New Jersey ratepayers through lower transmission system upgrade costs. The Board is generally supportive of Ocean Wind's plan to mitigate transmission system upgrade cost risk through the procurement of CIRs, provided such procurement is prudent and therefore protective of New Jersey ratepayer interests. *Upon price discovery Ocean Wind is required to seek Board authorization to procure CIRs.* The Board will review Ocean Wind's request on an expedited basis and will not unreasonably withhold its consent so long as the resultant cost of transmission system upgrades may be reasonably expected to be lower than would otherwise be the case absent the procurement of CIRs. (Emphasis added.)

3. Ocean Wind has performed its price discovery and now seeks BPU authority, on an expedited basis, to procure certain CIRs.

II. THE PROPOSED CIR PROCUREMENT

4. Ocean Wind has been exploring the procurement of CIRs with points of interconnection, inter alia, at the Oyster Creek Nuclear Power Station in Lacey Township, Ocean County, New Jersey ("Oyster Creek"). This Petition only addresses Oyster Creek. Ocean Wind may file a petition as to other CIRs at a later date.

5. On August 7, 2019 Ocean Wind submitted a proposed pro forma Capacity Interconnection Rights Purchase Agreement (the "CIR Agreement") to Exelon Generation Company, LLC ("Exelon"). In addition, a proposed pro forma Affidavit of Title ("Affidavit") was submitted to Exelon. Exelon's execution of the Affidavit of Title confirms Exelon's ownership of the CIRs and indicates that the proposed transaction with Exelon appears viable at this time.



6. Exelon has also proposed a purchase price, which has resulted in this Petition.

7. Exelon and Ocean Wind are in the process of negotiating a definitive CIR Agreement. It is Ocean Wind's intention to complete such a definitive agreement and submit the same to the BPU and Rate Counsel on or about August 30, 2019.

8. The CIR Agreement will be conditioned, inter alia, upon an order of this Board approving the CIR procurement.

9. [REDACTED]

III. IF OCEAN WIND PROCURES THE CIRs FROM EXELON AT EXELON'S STATED PRICE, THE RESULTANT COST OF TRANSMISSION SYSTEM UPGRADES AT OYSTER CREEK MAY BE REASONABLY EXPECTED TO BE LOWER THAN WOULD OTHERWISE BE THE CASE ABSENT THE PROCUREMENT OF CIRs

10. Ocean Wind must make a determination as to whether to procure the Oyster Creek CIRs at this time based upon currently available information. Currently available information may change over time, and Ocean Wind will bring material changes to the BPU's attention when such changes arise. However, this section of the Petition is based upon currently available information, and Ocean Wind seeks authorization based upon such currently available information.

11. Under separate cover Ocean Wind will submit to the BPU and Rate Counsel documentation supporting its request in this Petition.

IV. REQUEST FOR CONFIDENTIALITY

12. The information to be provided with this Petition and in connection with the processing thereof is in the nature of Trade Secrets and should be treated as "Confidential."

13. N.J.A.C. 14:1-12.1 *et seq.* sets out procedures for a claim of confidentiality.

14. N.J.A.C. 14:1-12.1(e) provides: "Nothing in this subchapter shall limit the Board's authority to make a confidentiality determination within the context of a hearing or other proceeding or with regard to any other matter the Board may deem appropriate. Any confidentiality determination by the Board shall bind the custodian when reviewing confidentiality claims pursuant to this subchapter."

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15. As a result, Ocean Wind requests that the Board include in its order approving the CIR Agreement a provision that: "Any submissions made by Ocean Wind in the context of the CIR review process and stamped: "CIR Approval Process Confidential Information" will be treated as confidential pursuant to N.J.A.C. 14:1-12.1 *et seq.*"

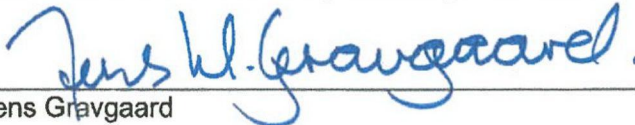
V. CONCLUSION

16. Because the proposed procurement of CIRs will, based upon currently available information, yield a resultant cost of transmission system upgrade which may be reasonably expected to be lower than would otherwise be the case absent the procurement of CIRs, the Board should approve the acquisition of CIRs and do so on an expedited basis, consistent with the June 21 Order.

VERIFICATION


Jens Gravgaard, of full age, being duly sworn, according to law, deposes and says:

1. I am the Project Development Director of Ocean Wind, LLC and am authorized to make this Verification on behalf of Ocean Wind, LLC.
2. I have read the contents of the foregoing Petition and hereby verify that the statements therein contained are true and accurate to the best of my knowledge and belief.



Jens Gravgaard

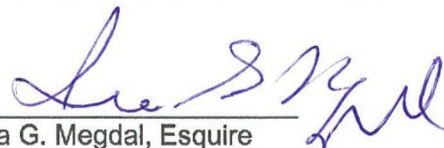
Sworn to and subscribed before
me this 19th day of August, 2019.



Notary

KATHLEEN NELSON
ID # 2448515
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES AUGUST 01, 2024

This Verification is being submitted in facsimile form. The undersigned attorney, Ira G. Megdal, certifies that the affiant acknowledge the genuineness of the signature and that the Verification or a copy with an original signature affixed will be filed if requested by the Board of Public Utilities.



Ira G. Megdal, Esquire

EXHIBIT "A"
AFFIDAVIT OF TITLE