OCEAN WINDS

March 12, 2021

Ms. Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625

Via email to: Board.Secretary@bpu.nj.gov

Re: Docket No. QO20100630
In the Matter of Offshore Wind Transmission
Comments re: Feb. 26, 2021 Technical Conference

Dear Ms. Camacho-Welch:

OW North America LLC (OW North America) appreciates the opportunity to provide comments to the New Jersey Board of Public Utilities (NJBPU) regarding New Jersey's offshore wind transmission options.

OW North America supports New Jersey's ambitious offshore wind goals. Offshore wind is key to meeting New Jersey's 2030 and 2050 goals in a cost-effective and timely manner. We applaud NJBPU and all others involved for a stimulating Technical Conference on February 26, 2021.

As a non-incumbent offshore wind developer in the region, the current generator lead-line interconnection approach presents a number of challenges as the majority of coastal, easy to access points of interconnection are already designated for existing projects under development. This presents further challenges as new developers must look further inland, increasing development time and costs. However, projects already underway using radial interconnection should not be delayed by the adoption of other models for subsequent projects.

In theory, a coordinated offshore transmission approach has benefits, but must be implemented correctly as discussed at the NJBPU Technical Conference. If done properly, it could lead to reduced permitting risk and environmental impacts, and better operational flexibility as potential outcomes. A coordinated offshore transmission approach could also serve to make future New Jersey solicitations more competitive by providing increased capacity and access to the onshore PJM grid. However, this approach, as noted by conference speakers, can create project-on-project risks posed by

a shared transmission solution, which must be carefully navigated by offshore wind and offshore transmission developers alike. This is of particular concern to non-incumbent developers considering participating in a New Jersey Round 3 Offshore Wind Solicitation.

OW North America requests clarity on the timelines by which NJBPU and PJM plan to realize the delivery of the transmission infrastructure. In particular, future NJBPU Round 3 Offshore Wind Solicitations will require non-incumbent and incumbent offshore wind developers to factor in interconnection and upgrade costs into their bid prices. Non-incumbents will likely face far greater challenges and risks. It will be important to understand the timeline by which NJBPU intends to complete any new transmission lines and upgrades in order to reduce this risk as coordinated offshore transmission will be integral to achieving clean energy goals. A study prepared for the NJBPU by Levitan & Associates, Inc. notes a number of associated benefits for such a coordinated transmission approach, including a cost-efficient design, less environmental impact, and address New Jersey's coastal POI limitations.[1] Clear communication of any such planned development is of the utmost importance.

During the Technical Conference, participants referred to the timeframe of 8 years necessary to plan and construct an offshore transmission line. Others believed this 8-year timeframe was inadequate. This timeline uncertainty is problematic considering that NJBPU anticipates the Round 3 Solicitation in 2022 to include project proposals with a Commercial Operation Date (COD) of 2029. Clarity on the interaction of these timelines would be most appreciated. OW North America would also welcome the opportunity to share our insights as a new entrant in the New Jersey offshore wind market with NJBPU staff.

OW North America supports the comments submitted by the Business Network for Offshore Wind (the Network). As a leading voice for the offshore wind business community, the Network promotes the advancement of the industry. The views expressed are largely those of the industry participants, and largely align with those of OW North America.

We welcome continued engagement with NJBPU and other industry participants in addressing these complex technical issues, and look forward to continuing to work with New Jersey to aid the state in realizing its offshore wind ambitions.

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[1] Levitan & Associates, Inc. (2020). *Offshore Wind Transmission Study Comparison of Options prepared for New Jersey Board of Public Utilities.* *https://www.nj.gov/bpu/pdf/publicnotice/Transmission%20Study%20Report%2029Dec2020%202nd%20FINAL.pdf*

OW North America is a wholly owned subsidiary of OW Offshore, S.L (OW), a 50:50 offshore wind joint-venture, owned and created by EDP Renováveis S.A. (EDPR) and ENGIE S.A. (ENGIE) in 2019. Both companies believe that offshore wind energy is becoming an essential part of the global energy transition, leading to the sector's rapid growth and increased competitiveness. That is why they have included all their existing and pipeline offshore portfolio in the new company.

OW has a strategic advantage and is well positioned to play a leading role in the offshore market. EDPR and ENGIE are combining their offshore wind assets and project pipeline in OW, starting with a total of 1.5 GW under construction and 4.0 GW under development, with the target of reaching 5 to 7 GW of projects in operation or under construction and 5 to 10 GW under advanced development by 2025. OW primarily targets markets in Europe, the United States and selected geographies in Asia, from where most of the growth is expected to come.

If you have any questions, please feel free to contact me at Enrique.Alvarez-Uria@oceanwinds.com.

Sincerely,

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