

New Jersey Offshore Wind Solicitation #2

RESPONSES OF OCEAN WIND II, LLC TO CLARIFYING QUESTIONS SET 2

(March 3, 2021)

Please note that these responses and the materials submitted herewith contain confidential information. Under separate cover Ocean Wind II, LLC (“Ocean Wind 2”) hereby requests confidential treatment of such material (as they are exempt from disclosure under the Open Public Records Act, N.J.S.A. 47:1A-1 et seq. and the Board’s regulations at N.J.A.C. 14:1-12.1(b)) and submits a Statement of Christian Bjøl in support of such request.

Energy Production Estimate

1. Section 3.2.1.3.3: “Water depths vary across the proposed wind farm area from –14.7 m mean lower low water(MLLW) to –36.8 m MLLW” (Application p. 3-13). Please provide an estimate of the average water depth of the proposed wind farm area.

Ocean Wind II, LLC Response – The average water depth for the Project positions (82 turbines & 1 offshore converter station) is 26.4 m MLLW. Please see attached map with bathymetry data.

Documentation of Financial Incentives

2. Response to CQ1 #22: Ocean Wind 2 asserts that it will “use all reasonable efforts to apply for the best available tax credit opportunity for the project (exercising its business judgment) at the time that it is able to make such election/application.” Please explain,
 - a. Ocean Wind 2’s expected timing regarding the decision to monetize tax benefits during the development process in order to pass-through net savings to New Jersey ratepayers.

[REDACTED]

[REDACTED]

- b. Ocean Wind 2's expected timing regarding the decision on the potential realization of PTC tax benefits instead of ITC tax benefits.

Ocean Wind II, LLC Response – Please see response to Question 2.a. above.

- c. Please quantify the differential net savings potentially attributable to the availability of the PTC in lieu of the 30% ITC set forth in H.R. 133.

Ocean Wind II, LLC Response – [REDACTED]

- 3. [REDACTED]

- a. Please provide the current pro forma calculation for the net benefits referenced in your response.

Ocean Wind II, LLC Response – Please see response to Question 2.a above [REDACTED]

- b. [REDACTED]

Ocean Wind II, LLC Response – Yes, please see response to Question 2.a. above.

- c. [REDACTED]

Ocean Wind II, LLC Response – Please see response to Question 2.a. above.

d. [Redacted]

Ocean Wind II, LLC Response – [Redacted]

e. [Redacted]

Ocean Wind II, LLC Response – [Redacted]

[Redacted]

Economic Development Plan

4. [Redacted]

[Redacted]

Ocean Wind II, LLC Response – [Redacted]

[Redacted]

b. [Redacted]

Ocean Wind II, LLC Response – Please see response to Question 4.a. above.

c. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – Please see response to Question 4.a. above.

d. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – Please see answer to Question 4.a. above.

e. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – Please see answer to Question 4.a. above.

f. [REDACTED]
[REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – Please see response to Question 4.a. above.
Ocean Wind 2 further notes that Ørsted has a team of highly skilled environmental specialists that engage with regulators, environmental NGOs, and other important stakeholders across all Ørsted’s projects to find the best solutions to manage their impact on biodiversity. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] The ECO-PAM project is a partnership with the University of Rhode Island, Woods Hole Oceanographic Institution, and Rutgers, the State University of New Jersey.

g. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

5. Section 8.9.2: [REDACTED]
[REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – [REDACTED]
[REDACTED]

- [REDACTED]
- i [REDACTED]

[REDACTED]

6. [REDACTED]

a. [REDACTED]

Ocean Wind II, LLC Response – [REDACTED]

[REDACTED]

b. [REDACTED]

Ocean Wind II, LLC Response – As per the answer to part a. above, [REDACTED]

[REDACTED]

7. [REDACTED]

Ocean Wind II, LLC Response – [REDACTED]

[REDACTED]

8. [REDACTED]

a. [REDACTED]

[REDACTED]

Ocean Wind II, LLC Response – [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

b. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – Please see responses to Questions 4.a. and 8.a. above.

c. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – Please see response to Question 8.a. above.

9. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

a. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – Please see response to Question 4.a. above. In [REDACTED]
[REDACTED]
[REDACTED]

b. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – [REDACTED] Please see response to Question 4.a above.

c. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – N/A

d. [REDACTED]
[REDACTED]

Ocean Wind II, LLC Response – [REDACTED]
[REDACTED]

e. [REDACTED]

Ocean Wind II, LLC Response – [REDACTED]

10. Section 8.9.2.8: “Reduction of in-state expenditure guarantee during construction period of \$56 million” and “Reduction of in-state employment guarantee during construction period of 108 FTEs” (Application p. 8-30).

a. Please confirm that the intended correct reduction in the in-state expenditure guarantee during the construction period is \$50 million instead of the stated \$56 million, which is the expected expenditure.

Ocean Wind II, LLC Response – The Applicant confirms that the guarantee reduction should be \$50m.

b. Please confirm that the intended correct reduction in the in-state employment guarantee during the construction period is 97 FTEs instead of the stated 108 FTEs, which is the expected employment.

Ocean Wind II, LLC Response – The Applicant confirms that the guarantee reduction should be 97 FTEs.

11. [REDACTED]

a. [REDACTED]

Ocean Wind II, LLC Response – [REDACTED]

b. [REDACTED]

Ocean Wind II, LLC Response – [REDACTED]

12. Section [REDACTED]

[REDACTED]

[Redacted]

Ocean Wind II, LLC Response – [Redacted]

[Redacted]

b. [Redacted]

[Redacted]

Ocean Wind II, LLC Response – [Redacted]

[Redacted]

[Redacted]

- 13. Section 8.10: Referencing Table 8.17 (Application p. 8-36) relative to Table 8.12 (Application p. 8.27), for clarity, please confirm that the note 1 reference within the bracketed \$31 million OPEX expected in-state expenditure in Table 8.17 should either be omitted or changed to repeat the content of note 1 to Table 8.12.

Ocean Wind II, LLC Response –In light of the response to Question 4.a. above, the note should be omitted from both locations in the Application.

Environmental Protection Plan and Emissions Impacts

- 14. Responses to CQ1 #51 and #56-61: In responses to Round 1 CQs 51 and 56 to 61, Ocean Wind 2 stated that it is currently considering multiple possible POIs and associated landfalls and routes.

- a. Please identify all land use, environmental, geotechnical, and other site-specific studies that are underway or have been completed to determine the proposed landfall and right of way to the POIs under consideration. Include desk-top and field studies.

Ocean Wind II, LLC Response –The Applicant has conducted extensive desktop studies considering land-use, known constraints, and potential routing options to evaluate potential onshore export cable routes and landfall locations associated with the POIs. It has also explored publicly available information to evaluate route options.

With respect to offshore routing, the Applicant has benefited from the extensive site survey and characterization work undertaken by its affiliate that is developing the Ocean Wind 1 project. The Applicant has drawn on datasets developed in support of Ocean Wind 1 as well as publicly available datasets to evaluate possible offshore export cable routes between the lease area and landfall options identified above.

- b. If site-specific studies have not been initiated, please identify the studies that are planned and the schedule for undertaking these studies.

Ocean Wind II, LLC Response – The Applicant is ramping-up proposals for detailed site-specific studies necessary to ensure a robust and complete POI, export cable routing and landfall selection process. The Applicant understands the benefit of maintaining a design envelope to ensure that—following study and analysis—the most appropriate POI, landfall and export cable route can be adopted.

[Redacted]

[Redacted]

- c. Provide all available maps that show the rights of way under consideration for each POI.

Ocean Wind II, LLC Response – Please see attachment.

Fisheries Protection Plan

- 15. [Redacted]

Ocean Wind II, LLC Response – [Redacted]

[REDACTED]

16. Section 10.4: "EMF will be calculated as part of the design or cable burial risk assessment" (Application p. 10-54). Will a cable burial risk assessment be done? If yes, when will it be available for review?

Ocean Wind II, LLC Response – A cable burial risk assessment (CBRA) will be carried out for this project. [REDACTED]

[REDACTED]

17. Section 10.5.9.2: "Undertaking Navigational Safety Risk Assessment (NSRA) with the USCG and other agencies" (Application p. 10-64). Please provide the draft Navigational Safety Risk Assessment.

Ocean Wind II, LLC Response – To clarify, the Applicant will undertake an NSRA independently (contracted through an external consultant) as part of the NEPA process and its preparation for COP submission. Ocean Wind 2 expects that this NSRA will be completed and made public at the beginning of the NEPA process; but there is not a draft of the NSRA available at this time.

Interconnection Plan

18. [REDACTED]

Ocean Wind II, LLC Response – [REDACTED]

Overloaded Facility	Rating (MVA)	Overload %	POI3 1300 MW % Contribution	Upgrade Cost Estimate (Million)	POI3 Allocation Estimate (Million)	Upgrade Assumption
Aldene - Stanley Terrace 230 kV	558	121%	25.6%	\$135	\$135	New Cable
Sewaren - Minue St. 230 kV	887	138%	58.9%	\$31	\$31	Reconductor
Sewaren - Woodbridge 230 kV	832	102%	53.3%	\$9	\$9	Reconductor
New Dover - Fanwood 230 kV	885	108%	42.6%	\$13	\$13	Reconductor
Pierson Ave. - Meadow Rd. 230 kV	885	142%	54.5%	\$9	\$9	Reconductor
Fanwood - Front St. 230 kV	885	101%	42.6%	\$2	\$2	Reconductor
Metuchin - Pierson Ave. 230 kV	885	145%	54.5%	\$15	\$15	Reconductor
Linden 345/230 kV	950	118%	19.2%	\$34	\$34	Replace Trfmr
Linden - Tosco 230 kV	1081	124%	25.7%	\$12	\$12	Rebuild
Peach Bottom - Conastone 500 kV	3525	128%	10.2%	\$131	\$48	New Line
Peach Bottom - Furnace Run 500 kV	3525	107%	2.0%	\$3	\$1	Substation Eq
Richmond - Waneeta 230 kV	1180	124%	7.5%	\$38	\$12	Rebuild
Tosco - VFT 230 kV	1081	125%	25.6%	\$13	\$13	Reconductor
Minue St. - Linden 230 kV	887	135%	58.9%	\$11	\$11	Reconductor
Camden - Richmond 230 kV	1336	123%	5.3%	\$113	\$26	Rebuild
Metuchin - New Dover 230 kV	885	111%	42.6%	\$13	\$13	Reconductor
Meadow Road - Brunswick 230 kV	885	139%	54.5%	\$1	\$1	Reconductor
Total Costs				\$583	\$384	

[Redacted]

[Redacted]

- 19. [Redacted]

Ocean Wind II, LLC Response – [Redacted]

- 20. [Redacted]
- a. [Redacted]

Ocean Wind II, LLC Response – [Redacted]

[Redacted]

[Redacted]

b. [Redacted]

Ocean Wind II, LLC Response – [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

21. [Redacted]

Ocean Wind II, LLC Response – [Redacted]

[Redacted]

Permitting Plan

- 22. [Redacted]

Ocean Wind II, LLC Response – [Redacted]

Cost-Benefit Analysis

- 23. Attachment 16.1: Please provide backup data and analysis supporting the values shown in Figure 29 - Added Emissions (tons) on page 32.

Ocean Wind II, LLC Response – As the Applicant is improving its bids, this information is being updated and will be provided at BAFO.

Application Form

- 24. Bills-of-Goods worksheet: Referencing the Construction Activity Phase, please clarify the “Fishing Compensation” expenditure subcomponent,
 - a. Will the compensation be distributed to one or more fishing organizations or to individual fishers?

Ocean Wind II, LLC Response – One of the prevailing goals of the Applicant’s project development is to coexist with other marine users, and avoid impacting individuals and groups including commercial and recreational fisheries. As described within the bid document, the Applicant intends to develop the project with close coordination and communication with fisheries interests to ensure minimization of disturbance. Nevertheless, the Applicant is cognizant of the concerns of commercial and recreational fisheries, and accepts that certain activities, particularly associated with the offshore construction activities, may result in some temporary disturbance to fisheries interests. As such, the line item indicated above represents a broad category of potential spending. This spending could be allocated to addressing specific concerns associated with disturbance to fisheries interests from construction of the Project.

Details of the expected use of this line item are intentionally broad and overstated to allow an exact amount to be determined as fishing practices in the impacted area are defined with greater clarity. As the Project continues to

develop, the Applicant will continue to elaborate on its understanding of specific fisheries concerns and interests established under the Ocean Wind 1 project, and also of the specific fisheries interests in the project area and export cable route. Based on understanding of these, the Applicant will explore with local agencies, institutions and fisheries interests, the most appropriate means to use funds under the above line item, to address any residual concerns.

- b. Is the compensation to cover additional fishing expenses, loss of catch, or some combination?

Ocean Wind II, LLC Response – As discussed above, the Applicant’s aim is to develop, construct, and operate the project in coexistence with other marine users. This includes avoiding impacts to fisheries where possible. Based on the Applicant’s current understanding of fisheries in the lease area, the Applicant believes this to be a reasonable goal. The Applicant will continue to develop the project via close engagement with local fisheries, and seek solutions to any impacts that are as fair and effective as possible. These potentially include some or all of the impacts described above.

- c. What is the source of the code 114000 and its “Hunting, Fishing, and Trapping” description?

Ocean Wind II, LLC Response – 114000 is the top level North American Industry Classification System (“NAICS”) code for 6 digit groups in the Hunting Fishing and Trapping category. A more narrowly defined code would 114100 “Fishing.” Also possible are 114111 “Finfish Fishing,” 114112 “Shellfish Fishing,” and 114119 “Other Marine Fishing.”

25. Bills-of-Goods worksheet: Referencing the Construction Activity Phase, please clarify the “NJWP lease costs WTG marshalling” expenditure subcomponent associated with code 920000, Public Administration,

- a. What is included in this item, given that there is also another expenditure item, code 531120, “Piers and associated building rental or leasing” for the same subcomponent?

Ocean Wind II, LLC Response – The 531120 code represents estimated expenditures for leased real estate for the marshalling operation.

- b. What is the source of the code 920000, “Public Administration”?

Ocean Wind II, LLC Response – 920000 is the top level NAICS code for Public Administration. Without an indication of how the state would likely spend the lease receipts, the Applicant used this NAICS categorization rather than a narrower industry specification.

26. Bills-of-Goods worksheet: Referencing the Operation Activity Phase, please clarify the “Taxes and Fees” expenditure subcomponent,

- a. Is there any government agency incremental activity funded by the taxes and fees?

Ocean Wind II, LLC Response – The Applicant modeled the taxes and fees paid to the state as though they will enter the general budget of the state and are used to pay for general state government activities.

- b. What is the source of the code 920000, “Public Administration”?

Ocean Wind II, LLC Response – 920000 is the top level NAICS code for Public Administration. Without an indication of how the state would likely spend the lease receipts, the Applicant used this NAICS categorization rather than a narrower industry specification.

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE APPLICATION OF :
OCEAN WIND II LLC FOR APPROVAL AS A : STATEMENT OF
QUALIFIED OFFSHORE WIND PROJECT, :
PURSUANT TO N.J.S.A. 48:3-87.1 and N.J.A.C. :
14:8-6.1, et seq. :

[REDACTED], of full age, states:

1. I am the Mid-Atlantic Project Development Director for Ørsted North America Inc., the sole member of Ocean Wind II, LLC (“Ocean Wind II”), and I am authorized to make this Statement on behalf of Ocean Wind II.

2. On this date, March 3, 2021, Ocean Wind II has, as instructed by BPU Staff on February 19, 2021 uploaded its responses (the “Responses”) to Clarifying Questions Set 2, New Jersey Offshore Wind Solicitation #2.

3. Ocean Wind II has submitted a Confidential Copy (unredacted) and a Public Copy (redacted) of such Responses.

4. All of the information redacted by Ocean Wind II in the Public Copy was redacted because the portions redacted are Trade Secrets of Ocean Wind II.

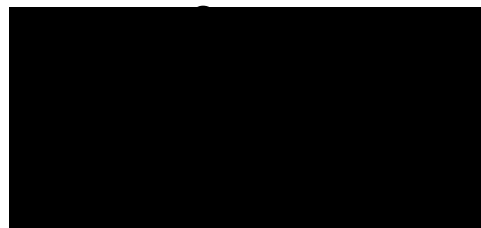
5. The Responses are somewhat voluminous. The material redacted consists of, *inter alia*, very specific project development information; manufacturing processes; proprietary technology to Ocean Wind II; Trade Secret transactions with suppliers to Ocean Wind II; bid strategy of Ocean Wind II; and similar information relative to Ocean Wind II’s affiliates and subsidiaries.

6. The Responses are too voluminous to detail in this Statement all of the Trade Secret information which was redacted.

7. Specifically, the information redacted consists of formulae, practices, processes, designs, instruments, patterns, commercial methods, or compilations of information not generally known or reasonably ascertainable by others by virtue of which Ocean Wind II obtains an economic advantage over its competitors. This is valuable commercial information that provides Ocean Wind II with an advantage over its competitors who do not have that information, and is not generally available.

8. These Trade Secrets are exempt from disclosure under the Open Public Records Act, N.J.S.A. 47:1A-1 et seq. and the Board's regulations at N.J.A.C. 14:1-12.1(b).

9. The information redacted from the Public Copy should remain confidential until Ocean Wind II agrees otherwise.



Dated: March 3, 2021

Attachment to Question 1

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Attachment to Question 14

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Attachment to Question 20

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Attachment to Question 22

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