

New Jersey Offshore Wind Solicitation #2

RESPONSES OF OCEAN WIND II, LLC TO CLARIFYING QUESTIONS SET 5

(June 21, 2021)

Please note that these responses and the materials submitted herewith contain confidential information. Under separate cover Ocean Wind II, LLC 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.

1. In your OREC Pricing Schedule, you provided a value for the "Portion of First Energy Year All-in OREC Purchase Price that represents Seller's Share of TSUC (\$/OREC)."
 - a. **What are the total transmission system upgrade costs you assumed in computing the "Portion of the First Energy Year All-in OREC Purchase Price that represents Seller's Share of TSUC (\$/OREC)"?**

Ocean Wind II, LLC response: The transmission system upgrade cost used in computing the "Portion of the First Energy Year All-in OREC Purchase Price that represents Seller's Share of TSUC (\$/OREC)" is [REDACTED]

- b. **How do these values compare to the P50 and P90 estimates provided in your BAFOs?**

Ocean Wind II, LLC response: [REDACTED] Seller's Share of TSUC (\$/OREC) value mentioned in question 1.a is equal to [REDACTED] [REDACTED] P50 estimate provided in BAFO. In comparison, the P90 value provided at BAFO is [REDACTED].

- c. **If the values are different than the P50 and P90, please provide an explanation for how the values were derived.**

Ocean Wind II, LLC response: [REDACTED]

- d. **For each submitted Project, please identify the present value of the TSUC estimate used in your calculation of the Portion of First Energy Year All-in OREC Purchase Price that represents Seller's Share of TSUC (\$/OREC)."**

Ocean Wind II, LLC response: Providing the present value of the TSUC estimate would require the release of Ørsted's [REDACTED]. Due to the

sensitivity of such financial information, Ocean Wind II is not in a position to share the requested present value of the TSUC estimate.

- e. **Please provide any assumptions or estimates about discount rate and energy production used in the calculation, and a description of the methodology used to determine the “Portion of First Energy Year All-in OREC Purchase Price that represents Seller’s Share of TSUC (\$/OREC)” derived from the TSUC estimate used in your calculation.**

Ocean Wind II, LLC response: Ørsted’s proprietary financial model, used for computing the Portion of First Energy Year All-in OREC Purchase Price that represents Seller’s Share of TSUC (\$/OREC), reflects assumptions on production, development costs, construction costs, operational costs, and taxation. The computation of the [REDACTED] from response 1.a above involves calculating the OREC price with and without the [REDACTED] TSUC and taking the difference between the two resulting prices. [REDACTED]

- [REDACTED]
- As mentioned in 1d, due to the sensitivity of such financial information, Ocean Wind II is not in a position to share the requested [REDACTED].

- f. **Please provide a spreadsheet showing the calculation with all formulas active and viewable.**

Ocean Wind II, LLC response: Due to the sensitivity of Ørsted’s proprietary financial information, including its [REDACTED], Ocean Wind II is unable to provide the requested spreadsheet.

2. With respect to the TSUC Price Adder (TSUCPA):

- a. **Please confirm that the Seller’s Share of any additional amount between the actual TSUC and the estimated TSUC provided in your response to question 1 will not be included in the TSUCPA.**

Ocean Wind II, LLC response: Ocean Wind II will incur all TSUC costs up to its Tier 1 cost limit of [REDACTED]. Cost sharing would begin thereafter as stated within the Transmission System Upgrade Cost Sharing Parameters.

- b. **Please confirm that only the Buyer’s Share of the actual TSUC will be included in the TSUCPA.**

Ocean Wind II, LLC response: Ocean Wind II confirms that only the Buyer’s share of the actual TSUC will be included in the TSUCPA.

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. :

█, 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, June 21, 2021, Ocean Wind II has, as instructed by BPU Staff on June 16, 2021, uploaded its responses (the “Responses”) to Clarifying Questions Set 5, 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 material redacted consists of, *inter alia*, very specific project development information; 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. Because the Responses are somewhat focused, substantially all of the Responses have been redacted. 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.

7. 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).

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

A large black rectangular redaction box covering several lines of text. Below it is a smaller, shorter black rectangular redaction box.

Dated: June 21, 2021