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April 29, 2022

**RE: IN THE MATTER OF DECLARING TRANSMISSION TO SUPPORT OFFSHORE
WIND A PUBLIC POLICY OF THE STATE OF NEW JERSEY
BPU Docket No. QO20100630**

Via Public Document Search Tool & Email

Carmen D. Diaz, Acting Secretary
New Jersey Board of Public Utilities
44 South Clinton Ave., 1st Floor
P. O. Box 250
Trenton, NJ 08625-0350

I. Introduction

PSEG Renewable Transmission LLC (“PSEG”) and Orsted NA (“Orsted”)¹ appreciate the opportunity to submit these comments to inform the New Jersey Board of Public Utilities’ (“BPU”) ongoing evaluation of offshore wind transmission proposals submitted to PJM Interconnection, L.L.C. (“PJM”) under the PJM State Agreement Approach (“SAA”) provisions set forth in the PJM Operating Agreement. PSEG and Orsted have been long-time supporters of New Jersey’s efforts to advance offshore wind in the State and are ready to partner with the State in pursuing a long-term offshore wind development plan.² For the state to efficiently and economically reach its ambitious offshore wind targets, the BPU will need to develop an organized and planned build-out of the transmission system to accommodate the state’s offshore wind goal of 7,500 MW by 2035.³

In 2018, PSEG noted that the generation “tie-line” or radial approach⁴ could be used in the short-

¹ PSEG and Orsted are a to-be-formed partnership that has submitted a number of proposals into New Jersey’s offshore wind transmission solicitation (collectively referred to as the “Coastal Wind Link”).

² Comments of Public Service Electric and Gas Company, *In the Matter of Offshore Wind Solicitation of 1,100 Megawatts*, BPU Docket No. QX18040466 (submitted July 27, 2018). PSEG stated that it “stands ready to partner with the State should the State wish to pursue a long-term offshore wind development objectives.”

³ N.J. Executive Order No. 92, at P 2 (2019), <https://nj.gov/infobank/eo/056murphy/pdf/EO-92.pdf>.

⁴ In a Transmission Study submitted to the Federal Energy Regulatory Commission (“FERC”), the BPU’s consultant Levitan & Associates, Inc. (“LAI”) (referred to as “LAI Transmission Study”), explained that radial export cables are bundled with offshore wind generation assets and typically utilize high voltage alternating current (“HVAC”) technology to transmit power from individual offshore wind projects to a single point of interconnection but can utilize high voltage direct current (“HVDC”) technology.

term, but encouraged the exploration of a PJM-overseen transmission build-out to facilitate the state's long-term offshore wind development objectives.⁵ During the recent series of BPU-led stakeholder meetings,⁶ Troy Patton, Chief Operating Officer at Orsted, affirmed this position, explaining that while the global offshore wind industry was built on radial transmission, advances in HVDC technology and the acceleration of clean energy targets have increased the need to explore a well-planned transmission system in New Jersey.⁷ There are numerous advantages of a planned offshore grid versus a radial approach. Specifically, building an offshore grid will minimize environmental impacts, improve reliability and system resilience, and optimize and reduce the required onshore interconnections.⁸

PSEG and Orsted applaud New Jersey for being the first-mover in PJM to trigger the SAA process to achieve its clean energy goals. The SAA process will enable the state to overcome the potential delays and risk associated with the PJM interconnection queue process. PSEG knows first-hand the challenges associated with navigating the interconnection queue process from both the generator developer side and as the transmission owner supporting the queue process. The SAA process provides a planned approach that will avoid projects being bogged down in the interconnection queue and will ensure that the limited points of interconnection that exist will be available to offshore wind generators.

Of all the bids submitted in the SAA solicitation process, no other provides the same combination of experience, accountability, and benefits to NJ customers that Coastal Wind Link will provide. Specifically, Coastal Wind Link offers:

- Unmatched experience building transmission facilities, many of which are large, linear and complex, in the state of New Jersey;
- Global leadership in developing and placing in-service offshore wind generation, with unparalleled access to the global supply chain; delivering over 2.2 GWs of offshore wind generation through the BPU-awarded Ocean Wind 1 and 2 projects
- Longstanding relationships in New Jersey at the state, county and municipal level; environmental permitting expertise and relationships at all levels of federal and state government
- A commitment to diverse suppliers, local high-skilled jobs and NJ communities and customers
- A track record of delivering projects on time, on scope and on budget, without sacrificing reliability or performance
- A unique meshed grid technical design, with desirable points of interconnection that will minimize onshore scope and resulting environmental disturbance
- A future-proofed design capable of enabling a future offshore backbone; and

⁵ Comments of Public Service Electric and Gas Company, *In the Matter of Offshore Wind Solicitation of 1,100 Megawatts*, BPU Docket No. QX18040466 (submitted July 27, 2018).

⁶ PSEG or Orsted spoke at each of the four BPU public meetings on the topics of (i) overall proposal review (ii) integration of transmission with offshore wind generation (iii) environmental permitting and (iv) cost controls/ratepayer protections.

⁷ See Presentation of Troy Patton, Chief Operating Officer Orsted, NJ BPU SAA, slides 3-7 (March 30, 2022).

⁸ LAI Transmission Study, at 4, 6-8.

- A comprehensive yet realistic cost containment mechanism, accompanied by a schedule guarantee that will yield meaningful cost savings for customers without over-promising and under-delivering.

In summary, Coastal Wind Link will deliver the best SAA solution, with the highest reliability and long-term cost effectiveness.

II. Discussion

A. **The PSEG/Orsted Coastal Wind Link Project is a superior project, as it has unique benefits from a technical perspective, minimizes environmental disturbance and will provide the best overall value to customers.**

1. **Coastal Wind Link is technically superior to other SAA project proposals**

Coastal Wind Link has several beneficial technical attributes that distinguish it from other proposed projects. Our proposals are informed by PSEG's and Orsted's decades of experience with transmission systems and offshore wind development, as well as years of analyzing a purpose-built offshore wind coordinated transmission system. This analysis is grounded in an extensive grid analysis and design development working with two major HVDC suppliers (Siemens and Hitachi-ABB).

Coastal Wind Link has selected the strongest points of interconnection ("POIs") – at Sewaren, Deans and Larrabee. By selecting these POIs, Coastal Wind Link will minimize network upgrade costs and ground disturbance, and will increase ratepayer benefits by reducing grid congestion, curtailment, and improving key transmission system capabilities in the form of improving the CETL (Capacity Emergency Transfer Limit) / CETO (Capacity Emergency Transfer Objective) ratio. At Sewaren, Coastal Wind Link owns the property at the POI and will redevelop a waterfront facility, which will house a state of the art HVDC converter station located where a retired fossil generating facility once operated.

Coastal Wind Link has located the offshore platforms central to the future lease areas to minimize the costs of the offshore wind developers, which will provide meaningful cost savings to NJ ratepayers in the future by removing significant interconnection permitting risks and costs for future projects while minimizing system losses. Orsted's experience in developing, constructing, and operating offshore wind generation projects for the last 25 years has given the company a unique understanding of the needs and challenges these types of projects face, which it has integrated into the design of Coastal Wind Link. In contrast, many of our competitors will either target a specific lease area which will limit competition or will need to modify scope and increase price after future solicitations are awarded.

Coastal Wind Link's meshed grid design is unique amongst the proposals in the areas of future-proofing, reliability and availability, controllability, and modularity.

Future-Proofing

Our unique design not only meets and reflects the needs of today's technologies - the design is future-proofed, accommodating tomorrow's expected larger-size wind turbines and expected higher array cable voltages. Just as 66kV generators replaced 33kV generators due to increases in the output of wind turbines, it is expected that this output voltage will increase as wind turbines continue to increase in size. Coastal Wind Link's 275kV design offers offshore wind generators a platform to continue to improve their plants, adopting the most efficient technology and thereby benefitting customers by reducing costs. In contrast to other proposals, Coastal Wind Link will not require costly retrofits as technologies continue to advance.

Reliability and Availability

The meshed grid design that Coastal Wind Link is proposing is the only such design that will have the ability to operate as a closed ring.⁹ This allows wind turbines to continue operation during system disturbances (e.g. HVDC cable or converter faults) and during required periodic HVDC system maintenance outages. By comparison, HVDC interlink designs proposed by other bidders will only reroute power for an HVDC cable failure. Furthermore, Coastal Wind Link's proposals also include shunt reactors on the offshore converter platforms, maximizing the amount of power flow in the event of a planned or unplanned HVDC converter or HVDC cable outage. Other HVAC interlink proposals did not include offshore shunt reactors and therefore will reduce the power transfer capability of the interlink, as the system will not be able to rely on the reactive power compensation during a planned or unplanned offshore converter outage. This unique design ultimately means Coastal Wind Link has the highest system availability of any HVDC SAA proposal.

Controllability

By interlinking the offshore platforms with a closed ring and utilizing HVDC converters, the Coastal Wind Link design will allow power to be diverted at any time to send more power flow to the specific land point that is most beneficial to NJ due to the full controllability of power flow. The system therefore provides a variety of significant tools to electric system operators such as black start capability, voltage control, reactive power control, power flow control, and fault ride-through. This design ultimately reduces curtailment risk for the wind farms and improves grid operations, which will in turn allow more power to flow to shore and will lower electric prices for customers. Proposals using HVAC connections to land do not offer system operators the ability to fully control power flow and do not offer fault ride-through capability.

Modularity

Coastal Wind Link's solutions are modular, flexible, and expandable. The system can be designed and constructed in "building blocks" allowing for the quantity of systems, and ultimately the power served by the system, to be increased or decreased in size to meet the needs of NJ. The use of

⁹ March 2022 Coastal Wind Link Presentation at Slide 121.

HVAC inter-links enables other non-Coastal Wind Link platforms the ability to connect to Coastal Wind Link's platforms. For example, it enables the connection of HVDC offshore converters of differing voltages. HVAC interlinks are also being recognized as the preferred meshed grid technology in offshore wind systems by others that have studied HVAC vs. HVDC options.¹⁰ As part of NYSERDA's draft RFP for its third offshore wind solicitation, requirements have been included for HVAC interlinks.¹¹ Proposers using HVDC interlinks will not be able to connect HVDC offshore converters of differing voltages.

Coastal Wind Link's future-proofed design supports the meshed grid needs of today and provides the opportunity for DC interlinks in the future with multi-terminal ready offshore converter platforms. This configuration will offer the opportunity to move beyond the SAA approach in the future towards multi-regional collaboration.

2. Coastal Wind Link is superior in minimizing environmental impacts and disturbance and will facilitate and expedited project schedule

The Coastal Wind Link project surpasses other project proposals from an "environmental impacts" lens. First, Coastal Wind Link fully reflects support for the SAA model – and its commitment to a planned, robust and cost-effective build-out of the grid to support the 7500 MWs of offshore wind generation that will be the pillar of the future clean energy economy in the state. While a radial, generator lead-line build-out of transmission can work to integrate limited amounts of offshore wind generation, it is not the most cost-effective or efficient solution for customers when dealing with this size and scale of generation, and it certainly will exacerbate environmental permitting challenges by necessitating multiple shore-line landing points. The radial approach is simply not in the best interest of NJ now and in preparation for the future.¹²

Second, as compared to the other specific SAA proposals, Coastal Wind Link is the best solution in minimizing environmental impacts. This is the case for several reasons. Coastal Wind Link uses HVDC rather than HVAC; when viewed from an environmental impact perspective, HVAC has the same type of impact as radial lines since one needs to use three times the number of transmission lines for AC transmission as compared to DC transmission. Coastal Wind Link also has a limited onshore route; it predominantly utilizes existing rights-of-way throughout the entire route and can loop directly into the Sewaren substation. By landing at Sewaren, Coastal Wind Link is leveraging the use of an already-developed brownfield site whose use will be converted to supporting offshore wind development (see Figures 2 and 3 below). Further, the route for the Coastal Wind Link project avoids fishing areas and Borrow areas.

¹⁰ <https://www.brattle.com/wp-content/uploads/2021/12/The-Benefit-and-Cost-of-Preserving-the-Option-to-Create-a-Meshed-Offshore-Grid-for-New-York.pdf>

¹¹ <https://www.nyserda.ny.gov/offshore-wind-2022-solicitation> RFP Appendix G

¹² One of the bidders – RISE Light and Power – steadfastly supports continuing the radial build-out approach. Outerbridge Renewable Connector Presentation, Slides 136-137 (March 22, 2022).

Figure 2
Existing Sewaren Site



Figure 3
Future Sewaren Site Rendering



Finally, and importantly, Coastal Wind Link has the strongest Permit Plan to support an expedited project schedule. Our project is Independent of other offshore developers and can proceed without lease area dependencies. Coastal Wind Link avoids placing facilities inside of BOEM lease areas, thereby de-risking the permitting process and generation-transmission interfaces. The selected location of the offshore converter stations secures an equal opportunity for all offshore wind developers to connect. A firm location for the converter stations also provides an intangible economic benefit for NJ customers, eliminating the extra contingences that generators would include if connected inside the lease area or if selected in a later stage.

3. The Coastal Wind Link Project will deliver the most cost-effective project, with the best overall value for customers in NJ

PSEG and Orsted understand the need to deliver SAA transmission facilities that will be cost-conscious and cost effective. The Coastal Wind Link project will accomplish this objective. It has been designed – and will be executed – to provide the best overall, long-term value to NJ customers. This long-term value is predicated on several components.

First, PSEG’s and Orsted’s collective, extensive experience will enable us to design and execute efficiently and effectively from a cost perspective; the companies know how to design, permit and build – and specifically know how to design, permit and build in the state of New Jersey. All of this experience brought to bear will result in cost savings for customers. Moreover, selecting a developer that is entirely new to the offshore wind industry creates the significant risk that offshore wind generation developers will see transmission construction as a risk and will include a premium in future OREC auctions to account for the same. PSEG and Orsted are brands that offshore wind developers recognize and trust, which in turn should result in the developers pricing more competitively in future OREC auctions.

Second, Coastal Wind Link will bring value to customers through its design, which places a premium on reliable performance. The projects are complete solutions, and include the full costs to effectively operate and maintain the facilities. This includes key design principles such as increased steel to extend the offshore platform life to 40 years and beyond; offshore diesel generators and a battery back-up system to ensure the reliability and resiliency of the offshore system; spare onshore and offshore transformers and spare cable to be used in the event of a major failure; and an O&M port investment enabling teams to quickly respond to any emergent issues. As discussed above, our meshed grid design will provide significant value by rerouting power during planned or unplanned cable outages, reducing curtailment risk for offshore wind generators, and providing flexibility to mitigate congestion.¹³ The Coastal Wind Link project also has a schedule guarantee beginning on Day One – meaning that if the project misses its in-service date by even a day, it faces strong penalties that help protect consumers. That guarantee will be backed by PSEG’s and Orsted’s actual experience in commissioning hundreds of infrastructure projects on time.

Third, the cost containment mechanism reflected in the Coastal Wind Link project is both comprehensive and realistic. Exclusions to the cost cap are for truly unforeseeable costs. The cost containment mechanism also includes adjustments for inflation based on the Handy Whitman Index (which PJM uses) and foreign exchange rates. The cost protections will ensure NJ customers are not burdened with costly exclusions and will see direct benefits should costs decline.

As Anbaric stated during the BPU public meetings, cost containment is “only as good as the fine print.” PSEG and Orsted agree and we stand behind our “fine print.” A “cost cap” can be rendered meaningless and/or counter-productive in three ways – (i) there are hidden costs such that the exclusions swallow any benefits to be derived from the cap, (ii) the cost cap encourages cutting of corners in design or execution such that customers ultimately are not getting what they paid for,

¹³ Presentation of Lathrop Craig, President, PSEG Renewable Transmission, Slide 59 (April 12, 2022).

and (iii) the design requires scope changes that will increase cost when the windfarm developer is awarded a project. We have seen two recent examples of the above in the competitive transmission solicitation context. On the “hidden cost” front, a competitive transmission project in New York, sponsored by one of the SAA bidders, has received significant scrutiny and push-back from NYISO stakeholders for including \$74M of “unforeseeable” costs in its formula rate forecast after submitting, and being awarded, a \$110M cost capped public policy project in the NYISO.¹⁴

On the design and reliability performance front, the recently-commissioned Silver Run project experienced a significant (29%) capacity de-rate less than a year after being placed in-service, which de-rate will only be completely addressed 16 months later. As was noted by several speakers during the public meetings, the buyer – here the BPU – must beware of bidders who will over-promise and ultimately under-deliver for customers.

B. The PSEG and Orsted team far surpasses all other bidders in this SAA process with regard to developer experience in NJ and elsewhere.

The SAA project(s) will be required to integrate significant amounts of offshore wind generation for the benefit of NJ customers. This will involve many permitting and execution complexities and will present a vital need for both timely and reliable project execution. During the four public meetings in this docket, several speakers noted that, given these inherent challenges, it is absolutely critical for the BPU to focus upon **who** is actually proposing – and, if selected, will be designing and building – the SAA project. Speakers with diverse viewpoints - ranging from NextEra to the NJ Audubon Society - repeatedly made this point. NextEra, for example, emphasized the need for a “strong sponsor” and noted that selection of a “weak” sponsor may engender project delays and cost over-runs.¹⁵ The NJ Audubon Society advised that the BPU focus upon “applicant qualifications,” track record and “commitment” to the state of New Jersey, including relationships and experience working with the NJ DEP and environmental non-governmental organizations (“NGOs”) in the state. NJ Audubon encouraged the BPU to “look under the hood” regarding the developer and cautioned that the “who is incredibly important.”¹⁶

PSEG and Orsted could not agree more. In fact, when the BPU “looks under the hood” at the relative track records and experiences of all the various bidders, it is clear that the PSEG/Orsted partnership far exceeds any of the other developers’ qualifications. First and foremost, PSEG and Orsted have strong respective track records of designing, permitting and constructing onshore and offshore transmission facilities on time, on scope and on budget. PSEG has constructed 291 substations and switching stations, and 2,102 miles of transmission circuits, including 484 miles

¹⁴ Examples of these “unforeseeable” costs included costs for horizontal directional drilling, agricultural matting, clearing requirements, wetlands mitigation and monitoring, visual mitigation, and “increased” engineering, construction and design requirements. None of these costs are unforeseeable but rather represent typical risks that project developers encounter all the time when designing, permitting and building a project. Details regarding the Empire State Line are contained in the following link - <https://www.nyiso.com/documents/20142/27732105/NEETNY-2021-2022AnnPrictn-RspnsNYTODataRgst.pdf/553f58f1-f54f-2519-28d7-bd058cb9e3a0>

¹⁵ See Presentation of Becky Walding, Executive Director, Development, NextEra Energy Transmission MidAtlantic (March 22, 2022).

¹⁶ See Presentation of Eric Stiles, President and CEO, NJ Audubon Society (April 2, 2022).

of 500 kV facilities and 350 miles of underground transmission in New Jersey.¹⁷ PSEG has also put more transmission facilities into service in PJM over the past 10 years than any other utility. While other developers have transmission experience, that experience does not involve building in New Jersey.¹⁸ PSEG understands how to design, route, engineer, permit and build in the state, and therefore understands all of the complexities associated with building in densely populated areas and through environmentally-protected spaces. PSEG is deeply committed to reliability – it has won the Mid-Atlantic Reliability One Award for the past 20 years. PSEG’s commitment to reliability permeates every aspect of its transmission execution, encompassing planning, design, engineering, permitting, construction and maintenance over the life of the facility. By contrast, as noted above, one of the bidders has experienced reliability performance issues with its one transmission line in New Jersey.

PSEG also has deep and long-standing relationships with elected officials, characterized by trusting relationships with the communities and customers it serves. PSEG will execute the onshore scope of the project in this same spirit for the benefit of the state of New Jersey.¹⁹

For its part, Orsted is the largest developer of offshore wind facilities in the world, with over 25 years’ experience in this space. As part of that development, Orsted has constructed and placed into service 7.6 GWs of offshore wind generation, nearly three times the installed capacity of its closest competitors. Orsted has 28 offshore wind farms in operation, with over 1,500 turbines spinning.²⁰ Importantly, Orsted is the only company that has successfully permitted, constructed and delivered an operating offshore wind project in the United States. Orsted has also been a successful bidder in both of NJ’s offshore wind generation solicitations held to date, with the Ocean Wind 1 and Ocean Wind 2 projects, and is working closely with the BPU in executing those projects.²¹ On the transmission front, Orsted has permitted and constructed over 1,000 miles of subsea export cables and 1,700 miles of subsea array cables.²² In addition, Orsted’s Sunrise Wind Project is the first U.S. offshore wind project to utilize HVDC technology. Currently, Orsted is in the process of constructing the South Fork offshore wind project in partnership with Eversource in New York. As part of the onshore and offshore construction schedule, Orsted has built strong relationships with local communities along the transmission route for South Fork and has implemented a robust public outreach and education campaign providing regular updates on the construction schedule and activity. This combination of historical global experience and current direct experience in New Jersey and New York position Orsted to effectively execute on the offshore construction portion of the Coastal Wind Link project.

Second, both PSEG and Orsted have consistently demonstrated a meaningful commitment to addressing climate change, and to promoting offshore wind as a means to accomplish that objective. We haven’t come late to the party as other bidders have; both companies have been

¹⁷ See Presentation of Coastal Wind Link, A PSEG and Orsted project, Slide 120 (March 22, 2022).

¹⁸ See *id.*, at slide 126.

¹⁹ Letter from John E. McCormac, Mayor of Township of Woodbridge, In the Matter of Declaring Transmission to Support Offshore Wind a Public Policy of the State of New Jersey, Docket No. QO20100630 (Submitted April 14, 2022). (Stating that “[i]n our interactions over the years, PSEG fulfills its commitments and delivers on its promises. Time and again, we have found PSEG to be a trusted partner, bringing value to our community.”).

²⁰ See Presentation of Coastal Wind Link, A PSEG and Orsted project, Slide 120 (March 22, 2022).

²¹ *Id.* at Slide 126.

²² *Id.* at Slide 120.

vested in the concept of offshore wind development from the start. Orsted created the global offshore wind industry in 1991, with the commissioning of Vindeby, the world's first offshore wind project.²³ Orsted has also been ranked the most sustainable energy company in the world for the last four years and is a company committed to leading the energy transition, not greenwashing its brand. Orsted is one of the first energy companies globally with 1.5°C-aligned targets approved by the Science Based Targets initiative.

In 2008, PSEG won the first New Jersey offshore wind RFP with the Garden State Offshore Energy project.²⁴ At the time, PSEG President and Chief Executive Officer Ralph Izzo noted that “this sends the signal that we intend to be in this for the long term.”

Third, both PSEG and Orsted represent the best team to manage environmental permitting complexities, minimize environmental disturbance and demonstrate strong environmental stewardship.²⁵ In 2021 alone, PSEG obtained over 600 environmental and land use permits from federal, state, county and municipal agencies and entities.²⁶ PSEG has strong, longstanding relationships with agencies such as the NJDEP and NGOs in the state, developed over many years as the company has navigated various permitting challenges and routing and siting processes, all while doing so in a manner that minimizes environmental impacts to NJ's environmentally-sensitive areas.

Orsted is the leading developer in the U.S. with approximately 5,000MW of awarded capacity through seven projects on the East Coast, and is currently progressing through the federal and state permitting processes for six of these projects, including Ocean Wind 1 partnered with PSEG. Through this experience, Orsted and PSEG understand the complexities of navigating the federal and state permitting process simultaneously. In January 2022, Orsted's South Fork Wind Project achieved Construction and Operations Plan (“COP”) approval, and approval of all remaining permits, and began construction, a clear demonstration that Orsted understands and can successfully navigate the complex process working with the Bureau of Ocean Energy Management (“BOEM”) and other key federal and state agencies.

PSEG and Orsted are both deeply committed to environmental preservation; examples of their environmental stewardship include: the estuary enhancement program – which has restored thousands of acres of marshlands in southern NJ and in areas around the Delaware Bay; the formation of the NJ Corporate Wetlands Restoration Partnership, aimed at protecting and preserving aquatic habitat throughout NJ; and the Eco-PAM monitoring project in partnership with Rutgers University, the University of Rhode Island and the Woods-Hole Oceanographic Institute.²⁷ Orsted has a dedicated Strategic Permitting Team with in-house subject matter experts to support the permitting process and construction operations with respect to protection of marine mammals including the North Atlantic Right Whale, avian and bat species, and fisheries science support. Additionally, Orsted has a dedicated experienced in-house Marine Affairs team that works closely with all levels of government and mariners, including the U.S. Coast Guard and maritime

²³ *Id.* at Slide 119.

²⁴ *Id.*

²⁵ See Presentation of Coastal Wind Link, A PSEG and Orsted project, Slide 54 (April 4, 2022).

²⁶ *Id.*

²⁷ *Id.*, at Slide 55.

industries, conducting outreach and addressing navigational issues related to siting and construction offshore.

Finally, PSEG and Orsted stand behind all of their infrastructure investments and have a vested interest in delivering the best projects for NJ residents. PSEG has a 100 year-plus history of serving customers in the state, a top-tier reliability performance record and employees/crews in the state who stand ready to maintain facilities and ensure reliable electric service on a 24/7 basis. As noted, Orsted has a long and established commitment to offshore wind development and a successful track record. Orsted is also deeply committed to the state and to its customers and stakeholders. In fact, in 2019, Orsted established the Pro-NJ Trust of New Jersey,²⁸ which will be supported by both Ocean Wind 1 and Ocean Wind 2 and offers women-owned and minority-owned businesses support in re-tooling their business to participate in the offshore wind industry. The Trust also provides funding for infrastructure resiliency projects in Atlantic, Ocean and Cape May counties. With support from the Ocean Wind 2 project, the Trust will expand its scope to provide funding for education and workforce training, supporting environmental justice initiatives and empowering minority, women and veteran-owned and small business entry into the offshore wind industry. Additionally, Orsted is establishing its North American headquarters for Digital Operations in Newark, NJ in the summer of 2022 and will further expand its footprint in New Jersey with the development of an Operations & Maintenance facility in Atlantic City, which will support both Ocean Wind 1 and Ocean Wind 2 for the duration of their operation.

No other bidder in this SAA process comes close to matching PSEG's and Orsted's credentials, experience, track record, commitment to the state and its clean energy objectives.²⁹ It is critically important that the state select trusted and experienced companies to execute upon its offshore wind vision. Other bidders can talk about their project execution but only PSEG and Orsted have actually delivered on scope, on time and on budget repeatedly, both on-land in the state of New Jersey and in coastal waters – and have followed that project execution with consistently strong reliability performance for the life of the facilities.

III. Conclusion

As the Division of Rate Counsel explained in its public comments in this proceeding, it is critically important that the BPU examine all elements of bidder proposals, including conducting a “cost/benefit” analysis, in determining which project(s) will bring the most value to NJ customers. Under this prism, the Coastal Wind Link proposal is the clear choice as the most cost-effective project to reliably and timely deliver power from offshore wind platforms in coastal waters to customers in the state. Coastal Wind Link will provide:

- Unmatched experience building transmission facilities, many of which are large, linear and complex, in the state of New Jersey;
- Global leadership in developing and placing in-service offshore wind generation, with unparalleled access to the global supply chain; delivering over 2.2 GWs of offshore wind generation through the BPU-awarded Ocean Wind 1 and 2 projects

²⁸ www.pronjtrust.org

²⁹ March 2022 Coastal Link Presentation at Slide 123.

- Longstanding relationships in New Jersey at the state, county and municipal level; environmental permitting expertise and relationships at all levels of federal and state government
- A commitment to diverse suppliers, local high-skilled jobs and NJ communities and customers
- A track record of delivering projects on time, on scope and on budget, without sacrificing reliability or performance
- A unique meshed grid technical design, with desirable points of interconnection that will minimize onshore scope and resulting environmental disturbance; and
- A future-proofed design capable of enabling a future offshore backbone.

Coastal Wind Link has the most experienced team from both an offshore and an onshore development perspective, with unrivaled experience permitting and building in NJ and equally unrivaled experience putting offshore wind turbines into service in the ocean. Both companies have deep relationships in NJ and longstanding commitments to the state's clean energy vision; PSEG and Orsted are invested in offshore wind for the long haul. Coastal Wind Link has unique and technically superior aspects such as a meshed grid concept and utilization of the brownfield Sewaren site, which will enable the project to minimize its onshore route and any related environmental disturbance. As will always be the case for PSEG and Orsted, the project has been designed to ensure reliable performance over the long-term, and will have the established NJ presence and collective, deep experience operating transmission and offshore infrastructure of both companies standing behind it. Finally, the project will provide the best long-term value to NJ customers, with a meaningful and realistic cost containment structure and a schedule guarantee. When compared to our competitors, Coastal Wind Link stands far above the rest in enabling the state to meet its offshore wind goals.

Respectfully submitted,

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