

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF OCEAN WIND, LLC
PURSUANT TO N.J.S.A. 48:3-87.1(F) FOR A DETERMINATION
THAT EASEMENTS ACROSS GREEN ACRES-RESTRICTED
PROPERTIES AND CONSENTS NEEDED FOR CERTAIN
ENVIRONMENTAL PERMITS IN, AND WITH RESPECT TO, THE
CITY OF OCEAN CITY ARE REASONABLY NECESSARY FOR
THE CONSTRUCTION OR OPERATION OF THE OCEAN
WIND 1 QUALIFIED OFFSHORE WIND PROJECT
BPU Docket No. QO22020041**

Rebuttal Testimony

of

Matthew Kaplan

**Re: Rebuttal to the Direct Testimony of Maximilian Chang on Behalf
of the Division of Rate Counsel**

Dated: May 11, 2022

1 **I. INTRODUCTION AND BACKGROUND**

2
3 **Q. Please state your name and business address.**

4 A. My name is Matthew Kaplan. My business address is Ørsted North America, Inc., 437
5 Madison Avenue, 19th floor, New York, NY 10022.

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Ørsted North America, Inc. as Senior Commercial Manager, which
8 includes responsibility for the Ocean Wind 1 Offshore Wind Project. My responsibilities
9 include negotiating and managing agreements and contracts, ensuring that the Project is
10 meeting its obligations and commitments under the OREC, engaging with internal and
11 external stakeholders, financial analysis, budgeting, and managing risk.

12 **Q. Please describe your professional experience and educational background.**

13 A. I have 15 years of experience in the renewable energy industry supporting global
14 companies with making capially intensive project and technology investments. Before
15 my time at Ørsted, I served as Product Growth Strategy & Marketing Leader for General
16 Electric's Renewable Energy division. In this role, I identified and captured global growth
17 opportunities, structured complex commercial deals, and led new product and technology
18 investigations. Previously, I served as the Market Intelligence Leader for General Electric,
19 leading financial analysis into renewable energy competitors, and supporting the strategic
20 planning process. Prior to my time at General Electric, I spent 7 years working for IHS
21 Emerging Energy Research where I served as the Associate Director of Wind Market
22 Research. In this role, I provided market research, forecasts, and business intelligence to
23 companies investing within the North American wind energy industry and led consulting
24 projects to support large-scale investments within renewable energy. I hold a Master of

1 Business Administration from Washington University in St. Louis and a Bachelor of Arts
2 from Wheaton College. My education, experience and qualifications are fully set forth in
3 Appendix A to my testimony.

4 **Q. Have you previously testified in Board of Public Utilities (“Board” or “BPU”)**
5 **proceedings?**

6 A. No.

7 **Q. Have you testified in proceedings before other utility regulatory commissions or**
8 **administrative bodies?**

9 A. No.

10 **Q. Would you describe the purpose of your rebuttal testimony?**

11 A. I am testifying on behalf of petitioner Ocean Wind, LLC (“Ocean Wind”) in support of its
12 petition seeking a determination that certain easements across Green Acres-restricted
13 properties and municipal consents for New Jersey Department of Environmental Protection
14 (“NJDEP”) permits in the City of Ocean City (“City” or “Ocean City”) are reasonably
15 necessary for the construction or operation of the Ocean Wind Qualified Offshore Wind
16 Project (“QOWP”). More specifically, my testimony responds to and rebuts certain issues
17 raised in the Testimony of Maximilian Chang on behalf of the Division of Rate Counsel
18 (“Rate Counsel”).

19 **II. Response to Maximilian Chang’s Testimony**

20 **Q. Which aspects of Mr. Chang’s testimony are you addressing?**

21 A. I am responding to certain cost and financial issues raised in Mr. Chang’s testimony. In so
22 responding, I also rebut certain statements of his regarding the scope of the Board’s review
23 in this proceeding.

1 **Q. On page seven of his testimony, Mr. Chang states “[t]he Board should have to the**
2 **opportunity to review ongoing project costs to ensure that the approved OREC price**
3 **was reasonable to incent the development of offshore wind.” Do you agree with that**
4 **statement?**

5 A. No. First, the OREC prices for the Ocean Wind 1 project, which were approved by the
6 Board in its June 21, 2019 Order, are not at issue in this proceeding. Second, the OREC
7 prices at set forth in the Board’s June 21, 2019 Order are not subject to “ongoing review”
8 in any proceeding. Aside from limited circumstances that are not applicable here, the
9 approved OREC prices are never subject to review or adjustment.

10 **Q. Throughout his testimony, Mr. Chang raises “concerns” about transmission system**
11 **upgrade costs (“TSUC”) and argues that Ocean Wind has not documented them**
12 **sufficiently in its Petition or testimony in this matter. Please respond.**

13 A. The TSUC sharing mechanism for the Project is not applicable to this petition. The scope
14 of the TSUC sharing mechanism is limited to the costs associated with interconnection
15 upgrades, inclusive of PJM network upgrades and Capacity Interconnection Rights (CIRs).
16 The Project bears 100% of the costs associated with the offshore and onshore transmission
17 system to the onshore substation. In the context of this petition, the scope of the Project
18 within Ocean City, including the easements and Green Acres diversion costs, are entirely
19 outside of the scope of the TSUC sharing mechanism with New Jersey ratepayers.

20 **Q. On pp. 17-18 of his testimony, Mr. Chang discusses the TSUC sharing mechanism in**
21 **the Board’s June 21, 2019 Order and criticizes it as not providing the proper**
22 **incentives. Please respond.**

1 A. First, it is inappropriate for Mr. Chang to mount a collateral attached on this aspect of the
2 Board's June 21, 2019 Order. The TSUC sharing mechanism was one component of Ocean
3 Wind's entire bid during the first New Jersey offshore wind solicitation. The Board
4 accepted the bid, including the TSUC sharing mechanism, and neither are at issue in this
5 proceeding.

6 Second, the TSUC cost sharing mechanism is not at issue in this matter as the costs
7 associated with the transmission within Ocean City (including landfall, underground
8 transmission, easements, Green Acres diversion costs) are outside of the scope of the TSUC
9 mechanism as I discuss above.

10 **Q. Has Ocean Wind's decision to interconnect at B.L. England reduced the level of**
11 **TSUCs?**

12 A. Yes. I anticipate that the Project's decision to connect into the B.L. England substation
13 will ultimately save New Jersey ratepayers tens of millions of dollars in network upgrade
14 costs versus connecting into Higbee or comparable alternatives such as Ontario. PJM
15 estimated that the network upgrade costs into the B.L. England substation (without CIRs)
16 would total approximately \$59 million. To mitigate the network upgrade costs, the Project
17 purchased the CIRs, eliminating network upgrade costs at BL England and thereby
18 resulting in significant cost savings for New Jersey ratepayers.

19 In comparison, alternative interconnection points such as Higbee would have
20 resulted in network upgrade costs in the hundreds of millions of dollar range. As previously
21 stated in Ocean Wind's Responses to the BPU's Supplemental questions, at Higbee, PJM
22 indicated that a 300MW injection (30% below what is required by Ocean Wind 1) could

1 cost up to approximately \$350 million¹ and trigger multiple network upgrades along with
2 significant permitting and schedule risks. As both Ontario and Higbee substations are
3 adjacent to each other in Atlantic City and served at 69kV, it would be reasonable to assume
4 that injecting into Ontario would have resulted in similar magnitude of network upgrade
5 costs to Higbee.

6 **Q. At p. 20 of his testimony, Mr. Chang states “[s]hould the Board grant Ocean Wind**
7 **the requested easements, I recommend that the Board require Ocean Wind to**
8 **demonstrate that its preferred route is also the least cost plan to minimize the cost**
9 **impact to ratepayers.” Please respond to this recommendation.**

10 A. The purpose of this proceeding is categorically not for the Board to consider a “least cost
11 plan to minimize the cost impact to ratepayers.” As I discussed above, the Board’s June
12 21, 2019 Order has firmly established the OREC prices and the TSUC mechanism. This
13 matter is not analogous to a public utility project where Rate Counsel may be concerned
14 about the utility’s future request for cost recovery. The cost recovery via ORECs has
15 already been established, and virtually all of the cost risk involved in the onshore
16 construction falls on Ocean Wind. Rather, the issue before the Board in this proceeding
17 is whether the requested easements are “reasonably necessary” under the statutory
18 standard. Ocean Wind’s Petition and testimony has clearly satisfied the statutory standard,
19 and Rate Counsel should not be allowed to mount collateral attacks on any aspect of the
20 Board’s June 21, 2019 OREC award.

¹ A subsequent revision to the study by PJM revises the cost estimate to approximately \$273 million

1 **III. CONCLUSION**

2 **Q. Please summarize your rebuttal testimony.**

3 A. Mr. Chang’s line of questioning related to alternative and preferred route cost information
4 is irrelevant to the petition at hand, which seeks the Board’s determination that easements
5 and Green Acres diversions across Ocean City property are “reasonably necessary.” Apart
6 from interconnection costs not at issue here, the Ocean Wind 1 project is fully responsible
7 for all costs associated with offshore and onshore transmission, including easements, and
8 costs for Green Acres diversions. All costs associated with the Project’s landfall and
9 routing within Ocean City fall entirely outside of the scope of the transmission cost sharing
10 mechanism with New Jersey ratepayers. Therefore, the sharing of further cost information
11 is immaterial to the scope and objective of this petition.

12 Furthermore, the Project has indeed worked to minimize its interconnection costs
13 at BL England. PJM estimated network upgrade costs at BL England are substantially
14 lower than alternatives such as Higbee. Furthermore, the Project chose to purchase CIRs
15 in lieu of network upgrades at BL England, which will result in substantial savings for New
16 Jersey ratepayers via a lower TSUC.

17 **Q. Does this conclude your rebuttal testimony at this time?**

18 A. Yes.

MATTHEW KAPLAN

SUMMARY OF QUALIFICATIONS

- Fifteen years of experience in renewable energy, including expertise in business strategy, commercial management, and consulting.
- Cross-functional collaborator who frequently drives alignment, team cohesion, and is able to seamlessly transition between business and technical topics.
- Adept at problem solving, learning ‘on the fly,’ and managing complex projects across multiple internal and external stakeholders.
- Strong understanding of global energy markets with a background in market research and analytics, including voice-of-customer, customer segmentation, economic, and pricing analysis.

EXPERIENCE

Ørsted, New York, NY

2020-Present

Senior Commercial Manager, Offshore Wind Energy

2020-Present

- Manage commercial activities for Ocean Wind 1 offshore wind project including securing boundary conditions, business case management, and working on internal and external approaches to de-risk the project.
- Frequently interface with cross-functional team of more than 50 individuals to ensure alignment on key priorities across technical, permitting, government affairs, and real estate to ensure development asset progresses on schedule.
- Report on project progress, both internally to senior executives and to external partners, regulators, and stakeholders.
- Drive commercial aspects of new offshore wind project bids including development of business cases, quantification of risks/contingencies, and local content strategies; efforts led to the successful award of the Ocean Wind II wind project in New Jersey.

General Electric, New York, NY

2015-2020

Product Growth Strategy & Marketing Leader, Renewable Energy

2017-2020

- Investigate and prioritize global growth opportunities for renewable energy business: perform customer segmentations, market analyses, and competitor assessments to set areas for business prioritization, investment, and future growth.
- Provide deep market analysis and customer insight to assist commercial team in structuring large, complex deals involving multiple new technologies and a high degree of cross-functional alignment.
- Lead multiple cross-functional teams of 3-10 individuals to test product viability using lean startup methodologies: conduct voice of customer interviews, establish product requirements, construct financial models, and build business cases.
- Continually collaborate on new product and technology investigations related to clean and renewable energy solutions—wind/solar hybrids, energy storage, HVDC transmission, offshore wind, and onshore wind.
- Work closely with executive leadership and teams across commercial, engineering, supply chain, operations, finance, and marketing functions.
- Twice awarded GE’s “Best of the Best” award for innovating GE’s approach to product differentiation, cross-functional team leadership, on-time program execution, customer-first mentality, and “substantial” business margin and share impact.

Market Intelligence Leader, Strategy & Marketing, Renewable Energy

2015-2017

- Produced targeted recommendations to improve business profitability based on competitor analyses; topics included logistics strategy, product complexity reduction, and vertical integration of supply chain.
- Supported strategic planning process including M&A and digital application business roadmap.
- Provided thought leadership on competitors’ future products and strategies: developed financial dashboards to benchmark key performance metrics, analyzed quarterly earnings, tracked new products, and built assessments of competitor profit margins.
- Served on corporate advisory council to make recommendations for improving and streamlining the marketing function across the GE corporation; team reported and met directly with GE CMO, Linda Boff.

Emerson, Industrial Automation, Branson Ultrasonics, Danbury, CT

Summer 2014

Global Marketing MBA Internship

- Analyzed pricing strategy across three product lines and applied previously unmeasured costs to analyze profitability by order and customer.
- Based on interviews with Americas’ sales and marketing leadership teams, developed and implemented tool for capturing,

Matthew Kaplan

standardizing, and analyzing order win/loss and competitor information.

IHS Emerging Energy Research (EER), Cambridge, MA

2006-2013

Associate Director, North American Wind Energy Advisory

2010-2013

- Product lead for the North American Wind Energy Advisory, which provided market research and business intelligence to companies investing within the North American wind energy industry.
- Point of contact and interface for more than fifty clients, including business planners, strategic advisers, and senior leadership at major independent power producers, utilities, and wind turbine manufacturers.
- Hired, managed, trained, and mentored 3-person team of wind energy analysts.
- Led customized research projects ranging from client strategy workshops to consulting engagements; requests included market sizing, supply chain analytics, voice of customer, competitor analysis, and market entry support which resulted in several investments from European and Asian companies within the US wind industry.
- Actively contributed to Advisory research content including market growth forecasts, company rankings, in-depth market briefings, and other analytical and market intelligence-driven research deliverables.
- Working with sales, product management, senior IHS executives, and clients, originated a new product offering to help clients benchmark their wind operations and maintenance costs and fleet performance against industry peers; product has since become standalone offering used by most major utilities and IPPs within the wind energy sector.
- Presented at industry conferences and featured in mainstream media— quotations appeared in more than twenty publications including *Business Week*, *CNN*, *The New York Times*, *The Wall Street Journal*, and on *National Public Radio* and *PBS*.

Senior Analyst, North American Wind Energy Advisory

2008-2010

- Supported new research initiatives and contributed to research deliverables including North American wind energy forecasts, wind ownership and manufacturer rankings, and annual 200-page US Wind Power market study.

Analyst, North American Wind Energy Advisory

2006-2008

- Disseminated business and competitive strategy analysis to clients in the form of written reports, data insights, and presentations highlighting industry trends and current events.

EDUCATION

WASHINGTON UNIVERSITY IN ST. LOUIS, OLIN BUSINESS SCHOOL, St. Louis, MO

Master of Business Administration

- Concentration in Consulting & Strategy

WHEATON COLLEGE, Norton, MA

Bachelor of Arts

- Major in American Social and Political History
- Honors thesis: Offshore Wind Energy Interest Groups

SKILLS

- Computer Skills: Word, Excel, Outlook, PowerPoint, OneNote; G-Suite; Tableau; WordPress; Mailchimp; Salesforce