

**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 CERTAIN EASEMENTS AND CONSENTS NEEDED FOR
CERTAIN ENVIRONMENTAL PERMITS IN, AND WITH RESPECT
TO, THE COUNTY OF CAPE MAY ARE REASONABLY
NECESSARY FOR THE CONSTRUCTION OR OPERATION OF
THE OCEAN WIND 1 QUALIFIED OFFSHORE WIND PROJECT
BPU Docket No. QO22050347**

Rebuttal Testimony

of

Matthew Kaplan

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

Dated: September 16, 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 (the “Project”). My
9 responsibilities include negotiating and managing agreements and contracts, ensuring that
10 the Project is meeting its obligations and commitments under the OREC, engaging with
11 internal and 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 (now part of S&P Global) where I served as the Associate
22 Director of Wind Market Research. In this role, I provided market research, forecasts, and
23 business intelligence to companies investing within the North American wind energy
24 industry and led consulting projects to support large-scale investments within renewable

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

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

6 A. Yes. In May 2022, I filed rebuttal testimony on behalf of Ocean Wind LLC (“Ocean Wind”)
7 in BPU Docket No. QO22020041.

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

10 A. No.

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

12 A. I am testifying on behalf of petitioner Ocean Wind in support of its petition seeking a
13 determination that certain easements and consents needed for certain environmental
14 permits in, and with respect to, the county of cape may are reasonably necessary for the
15 construction or operation of the Ocean Wind 1 Qualified Offshore Wind Project
16 (“QOWP”). More specifically, my testimony responds to and rebuts certain issues raised
17 in the Testimony of Maximilian Chang on behalf of the Division of Rate Counsel (“Rate
18 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 five of his testimony, Mr. Chang states “[s]hould the Board grant Ocean**
2 **Wind its requested easement, I recommend that the Board require Ocean Wind to**
3 **provide an estimate of the network transmission upgrade costs associated with each**
4 **of the point of interconnection (“POI”) options under different build out scenarios**
5 **for Ocean Wind I and future phases, since ratepayers are obligated to share**
6 **transmission network upgrade costs with Ocean Wind, and assume 100% of the**
7 **transmission network upgrade costs beyond \$174 million.” Do you agree with that**
8 **recommendation?**

9 **A.** No. First, neither the transmission system upgrade costs (“TSUC”) nor the TSUC sharing
10 mechanism are at issue in this proceeding. The scope of the TSUC sharing mechanism is
11 limited to the costs associated with interconnection upgrades, inclusive of PJM network
12 upgrades and Capacity Interconnection Rights (CIRs). The Project bears 100% of the costs
13 associated with the offshore and onshore transmission system to the onshore substation,
14 including the costs of the easements from Cape May County at issue in this matter. In the
15 context of this petition, which only involves consents for NJDEP permits and the specific
16 easements required from Cape May County, such costs are entirely outside of the scope of
17 the TSUC sharing mechanism with New Jersey ratepayers. I note that Mr. Chang has
18 conceded this point at page 8 of this testimony, where he states:

19 I accept Ocean Wind’s statement that it will bear the risk of project costs
20 for onshore transmission to the substation and that the network upgrade
21 costs would be the same regardless of the route.
22

23 Chang Direct Testimony, p. 8, l. 13-15.
24

25 Second, the only POI even remotely relevant to this matter is the POI at the former

26 B.L. England Generating Plant site for Ocean Wind 1. Other potential POI options for

1 either Ocean Wind 1 or “future phases” (which reference in Mr. Chang’s testimony is
2 unclear) are not relevant here.

3 **Q. On pp. 15-18 of his testimony, Mr. Chang discusses the TSUC sharing mechanism in**
4 **the Board’s June 21, 2019 Order and criticizes it as not providing the proper**
5 **incentives. Please respond.**

6 A. First, it is inappropriate for Mr. Chang to mount a collateral attack on this aspect of the
7 Board’s June 21, 2019 Order. The TSUC sharing mechanism was one component of Ocean
8 Wind’s entire bid during the first New Jersey offshore wind solicitation. The Board
9 accepted the bid, including the TSUC sharing mechanism, and neither are at issue in this
10 proceeding.

11 Second, the TSUC cost sharing mechanism is not at issue in this matter because the
12 costs associated with the transmission within Cape May County (including landfall,
13 underground transmission, easements, Green Acres diversion costs) are outside of the
14 scope of the TSUC mechanism, as I discuss above. As I testified above, Mr. Chang has
15 recognized that the costs associated with acquiring the two easements from Cape May
16 County at issue in this matter are *not* part of the TSUC. Therefore, the Board should reject
17 his recommendations regarding cost estimates for TSUCs, which are simply not at issue in
18 this matter.

19 **Q. Has Ocean Wind’s decision to interconnect at BL England reduced the level of**
20 **TSUCs?**

21 A. Yes. I anticipate that the Project’s decision to connect into the BL England substation will
22 ultimately save New Jersey ratepayers tens of millions of dollars in network upgrade costs
23 versus connecting into Higbee or comparable alternatives such as Ontario. PJM estimated

1 that the network upgrade costs into the BL England substation (without CIRs) would total
2 approximately \$59 million. To mitigate the network upgrade costs, the Project purchased
3 the CIRs, eliminating network upgrade costs at BL England and thereby resulting in
4 significant cost savings for New Jersey ratepayers.

5 In comparison, alternative interconnection points such as Higbee would have
6 resulted in network upgrade costs in the hundreds of millions of dollar range. As previously
7 stated in Ocean Wind's Responses to the BPU's Supplemental questions, at Higbee, PJM
8 indicated that a 300MW injection (30% below what is required by Ocean Wind 1) could
9 cost up to approximately \$350 million¹ and trigger multiple network upgrades along with
10 significant permitting and schedule risks. As both Ontario and Higbee substations are
11 adjacent to each other in Atlantic City and served at 69kV, it would be reasonable to assume
12 that injecting into Ontario would have resulted in similar magnitude of network upgrade
13 costs to Higbee.

14 **Q. At p. 12 of his testimony, Mr. Chang states "Ocean Wind should demonstrate that its**
15 **Preferred Route will be the most cost efficient." Please respond to this**
16 **recommendation.**

17 A. The purpose of this proceeding is categorically not for the Board to consider whether Ocean
18 Wind's Preferred Route to the onshore substation is "the most cost efficient." The Board's
19 June 21, 2019 Order has firmly established the OREC prices and the TSUC mechanism.
20 This matter is not analogous to a public utility project where Rate Counsel may be
21 concerned about the utility's future request for cost recovery. The cost recovery via
22 ORECs has already been established, and virtually all of the cost risk involved in the

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

1 onshore construction falls on Ocean Wind. Rather, the issue before the Board in this
2 proceeding is whether the requested easements are “reasonably necessary” under the
3 statutory standard. Ocean Wind’s Petition and testimony has clearly satisfied the statutory
4 standard, and Rate Counsel should not be allowed to mount collateral attacks on any aspect
5 of the Board’s June 21, 2019 OREC award.

6
7 **III. CONCLUSION**

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

9 A. Mr. Chang’s line of questioning related to alternative and preferred route cost information
10 is irrelevant to the petition at hand, which seeks the Board’s determination that easements
11 across Cape May County-owned property are “reasonably necessary.” Apart from
12 interconnection costs not at issue here, the Ocean Wind 1 project is fully responsible for
13 all costs associated with offshore and onshore transmission, including the easements at
14 issue in this matter. All costs associated with the Project’s landfall and routing along the
15 Preferred Route fall entirely outside of the scope of the transmission cost sharing
16 mechanism with New Jersey ratepayers. Therefore, the sharing of further cost information
17 is immaterial to the scope and objective of this petition.

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

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

24 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