



October 7, 2022

Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 1st Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

**RE: In the Matter of the Opening of New Jersey's Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC) – Request for Information – Docket No. QO22080481**

Bluepoint Wind commends the State of New Jersey on increasing its offshore wind goal to 11,000 MW by 2040 and the New Jersey Board of Public Utilities (NJBPU) on efforts to advance its third solicitation for offshore wind to meet the State target. We appreciate the revised solicitation timeline to allow for the integration of the Board's decision on the State Agreement Approach (SAA) and to ensure sufficient time for New York Bight developers to further develop their proposed projects. We fully support the Board's efforts and offer the following comments to help inform the Solicitation Guidance Document (SDG) per the questions posed in the Request for Information (Docket No. QO22080481).

**About Bluepoint Wind, LLC:**

Bluepoint Wind is a partnership between Ocean Winds, an international offshore wind energy company created by EDP Renewables (EDPR) and ENGIE (50:50), and New York-based Global Infrastructure Partners (GIP). Together, these companies have a successful track record of over 50 years of experience in development, financing, construction and operation of renewable energy projects, including more than 15 years on offshore wind projects. Ocean Winds has offshore wind farm projects currently under development, construction or operating in communities all over the world, including in the UK, France, Belgium, Portugal, Poland, Korea, and – closer to home – in Massachusetts.

In February 2022, BOEM awarded Bluepoint Wind an offshore wind lease (OCS-A 0537) in the New York Bight lease auction. The Bluepoint Wind lease encompasses 71,522 acres and is located approximately 38 nautical miles (nm) off the coast of New York and 53 nm off the coast of New Jersey. At full capacity, the offshore wind farm has the potential to deliver 1.7 GW of clean wind energy – powering up to 900,000 residential homes and helping New York and New Jersey meet their ambitious clean energy and carbon emissions reduction goals.

Bluepoint Wind's perspective is based on the experience of developing offshore wind resources across Ocean Winds' portfolio of projects in the US, Europe, and Asia.

**Responses to RFI:**

**A. Project Design**



**1. What are the benefits and challenges of the Board requiring submittal of minimum and/or maximum project capacity bid sizes?**

Bluepoint Wind would not recommend the Board establish a minimum project capacity bid as that could preclude some proposals from being submitted if the lease area cannot support that established minimum. If the Board wishes to include a minimum project capacity bid, we recommend ensuring language that allows for the maximum capacity remaining/available from the lease area if the minimum project capacity cannot be met.

Maximum project capacity bid sizes may be less than favorable from a developer's perspective since it limits the maximum project size and could leave a remaining area within the lease that cannot economically support another project. Limiting project capacity bid sizes may also result in projects requiring higher LCOE in order to meet the required internal rates of return.

**2. Board Staff is considering project design nameplate submissions approximately equal to 1,200 MW, while preserving the need for flexibility in its evaluation of project nameplates that significantly diverge from the target nameplate of 1,200 MW. Is there an optimal project capacity size such that multiples of this installed capacity foster efficient OREC pricing, and if so, how is that optimal project capacity size determined?**

Bluepoint Wind recommends the NJ BPU not limit submissions to only 1,200 MW but consider allowing offshore wind developers to optimize their project bids in consideration of: a) how much generation each lease area may be able to host, and b) the amount of new transmission capacity that may be created and offered to the developers via the SAA Proposal Window. Bluepoint Wind suggests allowing such optimization because we believe it will lead to the lowest cost per MWh generated. Alternative approaches with a firm cap of 1,200 MW could lead to OREC bids that are burdened by the costs that would otherwise be spread amongst a higher volume of output over the length of the offtake agreement.

**3. What considerations should guide the determination of minimum and/or maximum project bid sizes?**

Apart from the cost efficiencies referenced above, the complexities and timelines associated with the federal permitting process provide a significant disincentive for developers to attempt to permit two separate projects from a single lease area. As such, leases like Bluepoint's, which we expect to be able to host at least 1.7 GW, will have a strong preference to permit and construct a project in our lease area in a single campaign, to the extent possible.

**4. What technical, economic, or environmental considerations affect proposed project sizes?**

Technical considerations include the projected wind resource and energy yield of the lease area, the transmission technology required to transport the generation to shore and associated electrical losses, and the estimated onshore grid upgrades to interconnect the project, among others. The availability of the supply chain to provide the desired technology will also play a factor as proposals that include technology still under development will inherently carry greater risk that vendors cannot dedicate the time and resources to developing while supporting current and future orders.

**5. What, if any, transmission technology constraints, such as cable or converter station capacity, would directly affect project size?**

Converter station voltage, and thereby HVDC cable current carrying capability, will drive project capacity sizes. For example, a selection of 320 kV for an HVDC transmission system will enable an upper limit of around 1,320 MW to be transferred. However, the seabed conditions and cable burial depth may limit this to a lower figure. Similarly, a 400 kV HVDC transmission system may support a power transfer of up to 1,700 MW, however the cables may not be able to support that much generation. In both cases, a thorough cable study or studies will need to be performed.

For HVAC technology, the distance to shore or to the offshore converter station may necessitate a greater or fewer number of cables. If connecting HVAC cables to an HVDC system, the operating voltage of the HVAC cables must be matched to the AC side of the converter station which could drive project size if the AC voltage limits the amount of MW able to be transferred.

**6. What are the benefits and challenges of the Board allowing the inclusion of energy storage in applicants' projects?**

Energy storage systems can increase grid resiliency, change the generation profile that the grid sees, stabilize the grid, and provide backup power during power outages. However, the Board should give guidance on the type of energy storage it expects applicants to include in their projects, and potentially the value they expect to come from the storage assets, to ensure the benefits each system offers can be fairly assessed. For example, if no guidance is given and one developer offers a low power, long duration energy storage system and another offers a high power, short duration energy storage system it will be challenging to assess the two projects as the energy storage systems will serve a very different purpose.

While energy storage has long-term potential, it should be noted that it is still unclear how much value an energy storage installation paired to an offshore wind project will deliver to ratepayers.

**7. If energy storage is included in a proposal, should there be specific parameters in the SGD around how it should or must be interconnected, deployed, and operated to optimize grid reliability and economic benefits to New Jersey ratepayers?**

Bluepoint Wind believes that the BPU should not prescribe how storage must be interconnected or configured. As stated above, we believe the best approach to handling storage would be for the BPU to communicate the values it expects the storage to deliver and let OSW developers create programs that deliver those values.

**B. Economic Impacts and Strength of Guarantees for Economic Impacts**

In considering any form of guarantee associated with economic benefits, a clear distinction should be made between pre-Financial Close and post-Financial Close economic benefits. If a project fails to reach Financial Close, the promised post-Financial Close economic benefits will not be delivered.

Unfortunately, if a project becomes unviable and fails to reach Financial Close, there is no reasonable level of deposit or guarantee that will deliver post-Financial Close economic benefits such as supply chain investments that typically rely on both a financial contribution and a purchase commitment.



However, the developer and NJBPU's interests are aligned in helping the project achieve Financial Close at the earliest date to meet contractual requirements and begin generating revenue for the developer and energy for the state. Therefore, any additional guarantees pre-Financial Close for economic benefits that will be delivered post-Financial Close are unnecessary.

For pre-Financial Close Benefits, these are typically significantly smaller in value to post-Financial Close Benefits. The most effective mechanism for implementing these requirements is oversight and collaboration with a third-party organization such as the NJ EDA (Economic Development Administration) through a binding MOU. Within the MOU, a clear schedule of payments should be provided, payments should be made into a trust jointly administered by the developer and the third-party organization, and a dispute mechanism that provides an appeal pathway to the NJ BPU (Board of Public Utilities) should be provided. This will guarantee payments are made in a timely and impactful manner and ensure collaboration with the NJ EDA to coordinate the state's economic development efforts in the offshore wind industry.

For post-Financial Close Benefits, NJBPU already has in place two mechanisms stronger than any other state and stronger than a deposit to guarantee economic benefits. In the Ocean Wind II Board Order, the NJ BPU implemented a mechanism to reduce OREC prices if the promised economic benefits were not delivered. Additionally, NJ BPU implemented a mechanism whereby developers guarantee a certain percentage of instate spend and/or job creation (100% for Atlantic Shores, and 90% for Ocean Wind I and II). If guarantees are not met, then funding is provided by the developer to support workforce development. Requiring further deposits may raise OREC prices. More importantly, deposits are duplicative to the existing requirements and will not deliver funding to support the state's economic development goals any faster than the existing requirements.

Environmental Justice and Overburdened Communities are well positioned to see significant positive impacts from the offshore wind industry through both procurement from local companies and job creation. NJ BPU should place additional value on investments in Environmental Justice and Overburdened Communities, as well as clear and durable definitions of where these communities are. Incentivizing the localization of investments in these communities should be led by the state. Offshore Wind is fundamentally power generation, and the supply chain investments that support this industry are industrial facilities. Coordinated outreach by the state should be done to identify which communities will be welcoming of the jobs and economic opportunities associated with offshore wind, and which communities will be resistant to the deployment of power generation and transmission equipment as well as industrial facilities.

## C. Performance Guarantees

### **16. What mechanism could be included in a Board Order to ensure that the proposed nameplate capacity of the Project is constructed as set forth in the Order?**

Bluepoint Wind recognizes the importance to New Jersey of awarded projects delivering on their schedule and capacity commitments. Underbuilt or late projects could lead to stranded transmission assets and could have ripple effects through supply chain commitments made to the state. Bluepoint



Wind also believes it is necessary for bidders to propose, and for the BPU to select, projects that have a realistic expectation of receiving federal permits as they were originally proposed in an OREC solicitation. Projects that propose viewshed impacts, construction methods, or WTG layouts out of step with likely approvals should not be selected by the BPU as they may not be able to successfully receive federal permits.

With that said, OSW developers are naturally incentivized to construct the capacity they propose in an OREC solicitation as not doing so would negatively impact their business case. Every delay in achieving COD, and every reduction in the project's nameplate capacity, represents a degradation from the optimal business case that was developed for the OREC RFP. Given the strong financial incentives naturally in place to attain a target schedule and a target capacity, Bluepoint Wind does not believe it is necessary for the BPU to set forth penalties for delays in the implementation of a project.

**17. What are the potential benefits and impacts of assessing a performance guarantee for failing to construct, or constructing less than, the proposed nameplate capacity?**

As stated above, it is unclear what benefits would come from enforcing a capacity or schedule guarantee since developers are naturally incented to construct the full capacity by the time that they proposed. If guarantees for capacity and schedule were introduced, it would likely cause developers to include the penalty as a potential risk in their business cases which would be reflected in a higher OREC cost. If a project was delayed, and a penalty was assessed by the BPU, then it would further erode the economic case for the developer to move forward with the project. Given the multitude of uncertainties associated with the construction of offshore wind in the United States, including those connected to marine crewing, the Jones Act, a constrained global supply chain, an inflationary environment, and a war in Ukraine that has dramatically impacted the price and availability of steel, it is difficult how New Jersey would be advantaged in introducing another potential financial risk to the OSW industry in the United States.

The state of Virginia recently proposed a performance guarantee for the Coastal Virginia project, a rate-based utility project off of the Virginia coast. Bluepoint Wind believes that the natural cost caps received by ratepayers via the NJ OREC solicitations, combined with the strong incentives that the OSW developers have to achieve targeted schedule and output, provide more than enough protection that ratepayers will receive the generation expected in developers' OREC proposals.

**D. Inflation/Deflation Adjustment**

**21. Please comment on your expectations for near-term (through 2025), medium-term (through 2030) and long-term (through 2050) inflation and the impact on OREC pricing and provide the basis for this outlook.**

Bluepoint Wind regularly updates its view on inflation but cannot disclose it since this is a relevant input in the preparation of the Third Solicitation or any competitive process in the United States. Bluepoint Wind recommends consulting reputed third-party forecasts for inflation. Bluepoint Wind uses the consensus of several relevant forecasters for the near and medium term, and uses the Fed long-term inflation target for the long-term. As the basis for the RFP, Bluepoint Wind recommends using relevant

public forecasts for the near and medium term such as the Survey of Professional Forecasters of the Federal Reserve Bank of Philadelphia, and the Fed long-term inflation target for the long term.

**22. What are the benefits and challenges of including an inflation adjustment mechanism in the Third Solicitation to account for changes in commodity pricing and labor costs?**

Including an inflation adjustment in an RFP is beneficial for both developers and ratepayers in any situation, but even more in the context of high uncertainty.

Offshore wind projects are multibillion dollar investments that are exposed to inflation risk over several decades. Whenever an inflation adjustment mechanism is not provided, costs would be much higher (with similar revenues) if inflation is eventually higher than expected at bid submittal time, damaging project economics. In order to ensure project viability, project developers anticipate such scenarios and financing by pricing in significant risk-premiums when submitting their offers in the competitive RFPs. Therefore, not providing an inflation adjustment mechanism for revenues creates risks for offshore wind project that results in higher offers and eventually higher costs for ratepayers. However, including an inflation adjustment mechanism reduces or eliminates these risk-premiums in the offers, making the project viable at lower costs and reducing energy bills for ratepayers.

The main challenge in the creation of an inflation adjustment mechanism is designing it to best replicate the impact of inflation on the costs of the project, de-risking the project as much as possible and thus reducing the risk premiums as much as possible.

**23. Describe how an inflation adjustment mechanism could affect OREC pricing.**

See response to question 22.

**24. If an inflation adjustment is included, what are the elements of residual inflation risk?**

Residual inflation risk depends on how effective the inflation adjustment is – in other words, how well the adjustment replicates the impact of inflation on project costs. The greater the effectiveness of the inflation adjustment, the lower the residual inflation risk and the risk-premium that needs to be included.

**25. What are the advantages and disadvantages of a requirement to propose (a) a fixed OREC price without inflation adjustment and (b) an inflation adjustable OREC price, versus making one or both optional?**

Bluepoint Wind believes that offshore wind developers are expected to focus on the inflation adjustable OREC price whether it is required or optional to present this alternative. Fixed OREC price offers without inflation adjustment are expected to incorporate a significant risk premium that will very likely render them uncompetitive. A fixed OREC price without inflation adjustment is not in the interests of ratepayers or project developers. If inflation is eventually higher than initially forecast, the project will suffer from higher costs but will not benefit from higher project revenues, creating risks for the project. On the other side, if inflation is eventually lower than initially forecast, ratepayers would be paying more for electricity than they should. In other words, a fixed OREC price (or a fixed non-adjusted) escalator creates a zero-sum between ratepayers and developers, and they both could benefit or be harmed by

future changes in inflation. By implementing an inflation adjustable OREC price, both developers and ratepayers would have their revenues and costs linked to actual inflation at that time, and neither would benefit or be harmed by future changes in inflation.

**26. If an applicant offers both a fixed OREC price and an adjustable OREC price, and if the applicant's project is selected, what is the latest date that the pricing option could be chosen and why?**

Assuming that NJ BPU is the entity making the choice, the selection period is recommended to be short, as fixed bids are made with certain market assumptions. If there is a selection period that extends for several months, the evolution of inflation during those months could impact the selection of an offer and make the fixed OREC price more or less appealing. Offshore wind developers would add an additional risk premium in their fixed OREC price offers – the longer the period, the higher the premium.

**27. Describe how an inflation adjustment mechanism could affect the project development timeline and/or viability of an offshore wind project.**

An inflation adjustment mechanism would significantly accelerate the project development timeline compared to a fixed OREC price. If such an adjustment is not obtained, the financing process with banks would take longer, as they would need more time to study the more uncertain risk profile of their project that would inevitably result in higher financial costs. Besides, if extreme and unforeseen unfavorable changes occur after a fixed price is agreed, overall project viability could be severely compromised, as banks could refrain from financing the project. With an inflation adjustment mechanism, this situation can never happen and the path to financing and viability would not be compromised in the case of unanticipated events.

**28. What are the benefits and challenges of (i) applying the inflation adjustment in lieu of an annual escalator on the OREC price or (ii) allowing bids with inflation adjustment to also include an escalator?**

Bluepoint Wind recommends an inflation-adjustment approach year by year instead of a fixed annual escalator. This inflation adjustment would be based on a single-defined index or multiple indices. The fixed annual escalator methodology is equivalent to a fixed OREC price in the sense that it does not help de-risk the project as revenues and costs would not be aligned with each other. Allowing bids combining inflation adjustment and a non-adjusted escalator would result in a complex process with no added benefits compared to applying only an inflation adjustment. Therefore, it is recommended to use an inflation adjustment only and not mix both methodologies in a single offer.

**29. Should the inflation adjustment mechanism be based on a single defined index or multiple indices?**

The design of the indices is key to maximize the efficiency of the inflation adjustment mechanism. A suite of multiple indices is more desirable, since costs of offshore wind projects are very diverse (equipment, personnel, operations, etc.) and specific indices track the impact of inflation on each cost category better than a single general index. Bluepoint Wind recommends indexing the mechanism to several indices such as CPI, metals, and fuels.

**30. What publicly available index or indices are most suitable to capture applicants' exposure to inflation during the project development period? Please explain the relevance of the index or indices you suggest. If the index is not publicly available, how would you suggest the Board meet its goal of transparency and openness?**

The following indices are recommended due to their traceability as well as their extensive use as reliable benchmarks in the industry:

- CPI: Consumer Price Index calculated by the U.S. Bureau of Labor Statistics
- Steel index: CRU U.S. Midwest Domestic Hot-Rolled Coil Steel Index
- Crude Oil index: Brent or WTI

**31. If multiple indices are used, please provide any suggestions on how they should be weighted for purposes of tracking key component costs, including calculation examples. Please identify suggested sources, either proprietary or public, that represent the best information source.**

Bluepoint Wind recommends setting a methodology that follows the one developed by the French government in the “Appel d’offres”<sup>1</sup> (RFPs) for offshore wind tariffs, which is a reference for inflation adjustment for offshore wind projects. The French RFPs launched in 2011 have included an indexation mechanism based on two parameters including multiple inflation indices. The parameters are:

- Parameter “K” reflects changes in what the French government considered to be the main Capex components according to their relative weight. The tariff is indexed according to this parameter until the occurrence of a development milestone considered to be a proxy of the moment in which Capex is closed.
- Parameter “L” reflects changes in Opex. The tariff is indexed to this parameter since Capex is closed until the end of operations.

The French inflation mechanism was well-received by the market since its inception and has been improved and updated in the subsequent RFPs. The adjustment is different depending on the stage of the project, which allows it to maximize the effectiveness of the mechanism as the project’s impacts are different in each phase. Bluepoint Wind has made efforts in calculating the indexation formula that would best protect against changes in inflation and reduce the risk premium in OREC offers for New York Bight projects. Bluepoint Wind offers to present this formula to NJ BPU through confidential channels.

**32. What are the benefits and challenges of applying the adjustment to all versus only a specific percentage of the OREC price?**

Applying the adjustment to a specific percentage of the OREC price would better replicate the inflation adjustment in project revenues relative to the inflation impact in project costs. The equivalent percentage has to be calculated during each project phase. It is higher during the development and construction years and lower during the operation years.

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<sup>1</sup> Cahier de charges rectificatif (July 26, 2022), Sections 5.2.7-5.2.8 (Pages 53-54)

Accessible at <https://www.cre.fr/Documents/Appels-d-offres/dialogue-concurrentiel-n-1-2020-portant-sur-des-installations-eoliennes-de-production-d-electricite-en-mer-dans-une-zone-au-large-de-la-normandie>

**33. What is an appropriate way to set the baseline value of the inflation index or indices at the time of bid submission, for example an annual average or discrete monthly value?**

Bluepoint Wind recommends using discrete monthly values, as costs are indexed to bid submission at a concrete date.

**34(a). Regarding the milestone for determining the price adjustment date: What is the best milestone for determining the price adjustment date?**

It is advised that the price adjustment dates are set on defined milestones, instead of fixed calendar dates, during development and construction (Notice to Proceed, Final Investment Decision, Commercial Operation Date). Otherwise, in case of delays of the project that are not the responsibility of the developer (e.g., delays in interconnection process or permitting process), the project could obtain price adjustments at dates that do not align well with project milestones, which can further delay the timeline to obtain financing. During the operation phase, price adjustment milestones could be set either on anniversaries of COD or on a selected month every year (e.g., every January), with little impact on the project.

**34(b). What are the benefits and challenges of the milestone being a fixed calendar date versus the date of a defined event?**

Refer to 34(a).

**34(c). Please explain your choice of milestone date and how it could be unambiguously defined.**

Refer to 34(a).

**34(d). If there is ambiguity, please explain why it should be considered.**

Refer to 34(a).

**35(a). Regarding the potential inclusion of a “deadband” (i.e., the amount that the OREC price is adjusted when the adjustment resulting from applying the change in index (up or down) exceeds a certain percentage of the OREC price): What are the benefits and challenges of including a deadband in the inflation adjustment?**

A deadband is an intermediate solution between a complete inflation adjustment mechanism and being fully exposed to inflation. It would provide better inflation protection to projects and ratepayers as compared to not implementing any adjustment, but it would be less effective than a complete inflation adjustment mechanism.

**35(b). What are the benefits and challenges of a symmetric vs an asymmetric deadband?**

Inclusion of asymmetric deadband results could result in higher residual inflation risks, therefore risk premiums would be higher than in a symmetric deadband.

**35(c). What is a reasonable deadband percentage to apply and why?**

The wider the deadband, the less effective the mechanism, as more instances of inflation changes would not be adjusted. Therefore, the compounding effects described earlier would be more significant and eventually create higher deviations. This would be assessed by the offshore wind developers, who would include larger risk premiums for larger deadbands.

**35(d). What would be the impact on OREC pricing if there is a deadband on the adjustment and why?**

Please see responses to questions 35(a), 35(b) and 35(c).

**E. Environmental and Fisheries Mitigation Plan**

**37 - 38. Are there additional specific requirements, beyond those included in the Second Solicitation's SGD, that should be considered for the Environmental and Fisheries Protection Plans?**

Bluepoint Wind does not believe any other requirements are necessary. However, environmental protection and mitigation to some extent is based on a baseline assessment. NJ Second Solicitation's SGD asks applicants to "specifically describe how the Applicant's activities will be coordinated with the NJDEP Ecological Baseline Studies, and indicate how each resource issue, if impacted, will be addressed (N.J.A.C. 14:8-6.5(a)(11)(xiv)(2))"; the ecological baseline assessment conducted by NJDEP and completed in 2010<sup>2</sup> was the first of its kind and a major milestone. The scope of work included "the collection of data on the distribution, abundance and migratory patterns of avian, marine mammal, sea turtle and other species in the study area over a 24-month period. These data, as well as existing (historical) data, were compiled and entered into digital format and geographic information system (GIS)-compatible electronic files." However, this study is now a decade old and may not apply to or reflect distribution in the New York Bight lease areas. The actual NJDEP study area extended out 20nm from the New Jersey shoreline.<sup>3</sup> The Bluepoint Wind lease, however, is located over 50nm from the New Jersey coastline and well outside of the study area. We recommend this requirement be addressed relative to NJ plans to revisit the ecological baseline assessment or to allow for alternative data such as data collected by the New York State Energy & Research Development Authority (NYSERDA) as part of its ecological baseline assessment to be used and referenced, as well as other data sources referenced below. (See response to Question 39.)

**39. Please discuss opportunities for sharing environmental data collected prior to and during pre-construction surveys and baseline monitoring regarding the spatial and temporal presence of marine mammals, fish, aquatic invertebrates, sea turtles and avian species and bats, as well as benthic habitats, with the environmental community, including, but not limited to, the New Jersey Department of Environmental Protection ("NJDEP") and other state agencies and regional entities.**

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<sup>2</sup> Ocean/Wind Power Ecological Baseline Studies (July 2010). New Jersey Department of Environmental Protection. Accessible at: [https://www.nj.gov/dep/dsr/ocean-wind/Ocean%20Wind%20Power%20Ecological%20Baseline%20Studies\\_Volume%20One.pdf](https://www.nj.gov/dep/dsr/ocean-wind/Ocean%20Wind%20Power%20Ecological%20Baseline%20Studies_Volume%20One.pdf)

<sup>3</sup> Ibid, pg 1-2. "The Study Area encompasses approximately 4,665 square kilometers ( $\text{km}^2$ ; 1,360 square nautical miles [ $\text{NM}^2$ ]) and stretches from the area adjacent to Seaside Park in the north (approximate latitude [lat]/longitude [lon] 39°55' 56 seconds [""] N, 74°04'10" West [W]) to Stone Harbor in the south (approximate lat-lon 39°01'58"N, 74°46'11"W) and extends 37 km (20 NM) perpendicular to the shoreline (i.e., 126 x 37 km [68 x 20 NM] in size) and flanked by the Hudson and Delaware rivers (Figure 1-1)."

Environmental data collected prior to and during pre-construction surveys and baseline monitoring consists of data collected from literature reviews, desktop studies, and project-specific studies and surveys planned and funded by lessees. Project-specific data are used to meet the requirements of the Outer Continental Shelf Lands Act (OCSLA), National Environmental Policy Act (NEPA), and other applicable laws and regulations. It is recognized that environmental data collected for these purposes can benefit the environmental community and agencies having jurisdiction over trust resources (e.g., United States Fish and Wildlife Service [USFWS]).

Opportunities for data sharing include data available from publicly available sources as these data are compiled in earlier stages of project planning to inform the needs for further data collection and study/survey design. These data may include, but are not limited to, New York State Energy & Research Development Authority (NYSERDA) floating lidar buoy data, aerial digital survey data, regional abundance & distribution data (Northeast Ocean Data Portal, Mid-Atlantic Ocean Data Portal [MARCO]), tagged animal tracks data (Motus), avian flight height data (Northeast Atlantic Seabird Catalog), data from federal and state agencies such as species lists (USFWS IPaC [Information for Planning and Consultation]), State Natural Heritage data, National Oceanic and Atmospheric Administration [NOAA], National Marine Fisheries Service [NMFS], and GIS database layers.

Pre-construction and baseline data collected by lessees on a project-specific basis are subject to constraints on the timing of their public release. Constraints on public release of data include the in-progress status of studies/surveys and analysis as well as siting and design within areas of the project (e.g., export cable area [ECR]) which are subject to change. The identification of potential export cable route corridors (offshore) and onshore facilities, onshore routes, and POIs selection are planning activities that require non-disclosure of locations in order to protect business interests.

**40. What is the scope of environmental data that can or should be required to be shared, for example, pre-construction data that is included in the Construction and Operations Plan submitted to BOEM, all pre-bid data, or a sub-set thereof?**

The release of the Third Solicitation is identified as Q1 2023 and, based on past solicitation schedules, it is likely applications for the Third Solicitation will be submitted by Q2 2023 (New Jersey Offshore Wind Solicitation #2, Table 1. Proposed Offshore Wind Solicitation Schedule for New Jersey through 2035). In contrast, COPs can take up to several years to prepare for submission to BOEM.

The pre-construction data included in a COP submission to BOEM includes a variety of data types that may be public or open domain, sensitive, proprietary, privileged, and confidential. The lengthy process of acquiring data includes completing site-specific surveys and studies, completing data quality assurance, performing review and analysis, and synthesizing into the COP document. For projects in the COP development stage, data that will be presented in a COP would not be available by the assumed submission timeline for the NJBPU Third Solicitation.

Due to the timing of solicitation, it seems likely that only a select sub-set of information could be shared due to New York Bight lease holders being in an early stage of development. Sub-sets of information may include:

- Data acquired primarily from the public domain. Selected pre-bid sub-set data collected from publicly available resources may be suitable for sharing;
- A listing of the studies, analysis, and reports planned in support of the COP; and
- Progress to date (e.g., identification of study as 1st year or 2nd year).

Environmental data connected to information concerning design, engineering, real property, safety, and financial information is not suitable for public distribution as sharing such data may compromise an applicant's ability to be competitive in the market. Furthermore, private, proprietary, privileged and/or confidential data that provides insight into business and financial decisions related to bid preparation would not be sharable.

**41. Please explain the types of environmental data obtained prior to and during pre-construction surveys, during construction and during operation that applicants would consider to be proprietary and explain why.**

Environmental data collected by the developer prior to and during pre-construction stages is vital data that will inform multiple aspects of the project including mitigatory, design and engineering, and financial decisions. Private, proprietary, privileged and/or confidential data that provides insight into business and financial decisions related to bid preparation would not be shareable. Proprietary environmental data may include:

- Studies designed and funded by the applicant and conducted within the lease area.
- Studies that are conducted to inform siting and design decisions (e.g., routing alternatives).
- Studies not yet completed, in progress, and/or in process of quality assurance, analysis, and final reporting as time is needed to ensure best science practices are employed and are in accordance with regulatory requirements.
- Studies completed for sensitive resources requiring protection of location, type, and/or value.
- Studies requiring agency coordination and consultation.

Publicly available data suitable for sharing is presented in RFI Item 39.

**42. What delays may exist in making proprietary data available and why?**

At the time of the Third Solicitations issuance for projects in COP development stages, most surveys are in preliminary stages and there is a need to protect the data and scientific process until the process is complete. Prior to releasing proprietary data, the following must occur:

- Surveys must be fully completed
- Data must be subject to quality control/quality assurance, analyzed, and interpreted.
- Decisions to release proprietary data must be made as specified in RFI Item 41.

These processes take time before data can be carried forward for use in scientific analysis, which also requires a time-intensive process to ensure the most robust science has been employed.

Other sensitivity considerations for restricting proprietary data include legal, financial, design and engineering, strategic business, and any other data that may directly or indirectly disadvantage an applicant if disclosed.

The exceptions to these considerations are studies, such as those conducted collaboratively with research institutions, which would allow for the periodic release of data once it has undergone quality assurance/quality control procedures.

**43. Please describe potential plans for collecting environmental, wildlife and/or fisheries data (through either pre-construction or operations-phase research and monitoring) that could be used to inform mitigation actions and/or decisions.**

Plans for collecting environmental, wildlife, and/or fisheries research and monitoring data potentially could include studies and surveys completed during pre-construction, construction, and operations phases. Data collected during each of these phases have the potential to inform mitigation actions or decisions but are subject to time constraints and regulatory processes and requirements.

Additionally, regulatory developments and collaborative scientific groups are rapidly evolving in the offshore wind industry. Regulatory efforts, such as the Bureau of Ocean Energy Management (BOEM) Programmatic Environmental Impact Statement (PEIS) for the New York Bight, will establish avoidance and minimization measures, mitigation, and monitoring. Participation in scientific collaborations, such as the Regional Wildlife Science Collaboration (RWSC), New Jersey Offshore Wind Research & Monitoring Initiative (RMI), and the NYSERDA environmental technical working groups (eTWGs) will assist developers with the selection of mitigation actions based on best scientific practices. Potential plans for collection of environmental data include, but are not limited to:

- Desktop evaluation using published literature and existing data (see RFI Item 39 for examples of sources) will be conducted by qualified experts to identify data gaps, identify focal species and habitat, and inform the scientific approaches and methods selected for studies/surveys and analysis.
- Pre-construction studies and surveys may be planned for the lease area, export cable route corridors, and onshore project areas based on results of desktop evaluations, preliminary studies, agency consultation, and stakeholder input.
- Data collected during the performance of operations and maintenance as required by conditions of approval of the project.
- Participation in collaborative research efforts may be considered such as contributing data from marine wildlife surveys.
- Monitoring efforts will be planned based on regulatory requirements, best scientific approaches, and results of pre-construction studies/surveys.

**44. What requirements for stakeholder review of mitigation and monitoring plans are reasonable and appropriate for the awarded project?**

Bluepoint Wind supports the advancement of science and the scientific study of our ocean resources and its complex ecosystems. Data collected by Bluepoint Wind during the site characterization, environmental monitoring, construction, and operations phases of the Project has the potential to contribute to regional understanding of the marine environment.

To inform these studies, Bluepoint Wind will seek the perspectives and input from a wide range of stakeholders to advance our understanding and find mutually beneficial solutions to develop the Project responsibly. This engagement with stakeholders includes obtaining input on monitoring plans prior to

conducting surveys and on mitigation plans once the Project has had the opportunity to review collected data and assess impacts. Engagement should begin prior to the NEPA process to help facilitate public review under NEPA and then during the formal public review processes under NEPA. It should be noted that the information contained in mitigation and monitoring plans may be subject to constraints such as the release of information specific to project design that cannot be disclosed in order to protect commercial interests or data on environmental and cultural resources such as archaeological resources that are sensitive in nature.

**45. NJDEP is interested in opportunities to collaborate with other Atlantic seaboard states to integrate data regarding the spatial and temporal presence of marine mammals, fish, aquatic invertebrates, sea turtles, avian species and bats, as well as benthic habitats. Discuss opportunities and potential barriers that may exist.**

Opportunities for collaboration consist of sharing the Project's monitoring data with existing regional data portals, participation in regional environmental working groups, and state-led environmental working groups:

- Regional data portals include data sets synthesized from numerous sources and studies across the Northeast and Mid-Atlantic, such as the Mid-Atlantic Regional Council on the Ocean (MARCO) and NE Ocean Data Portal.
- Environmental working group participation may include groups such as RWSC, NYSERDA eTWG, New Jersey RMI, Responsible Offshore Science Alliance (ROSA), and others.

Barriers to collaboration are primarily related to the need for protection of business and financial interests and the planning and permitting processes associated with the construction, operations, and decommissioning of offshore wind farms (see RFI Items 40 – 42)

**46. What information is available about embodied carbon in applicants' proposed supply chains?  
What types of embodied carbon data can applicants report?**

In developing a bid, a bidder establishes a technical base case of what their project may look like, but few if any commitments to specific suppliers will be made at the time the bid is submitted. Instead, a comprehensive analysis of the supply chain is used to determine pricing. Therefore, it is challenging for bidders to make estimates at the time of proposal on the amount of embodied carbon in the supply chain. However, projects should be able to analyze their supply chain at Financial Close or Commercial Operation.

The state should look to replicate the success of developers collectively funding marine science research by implementing a similar methodology for reporting embodied carbon. Significant expertise exists within state universities, notably the Rutgers Energy Institute. The best way to report this data is through a Life Cycle Analysis (LCA) of the offshore wind project. A standardized model established by a trusted third party, like a local research university, would provide a level playing field for the state to analyze the impacts of projects.

**47. The Second Solicitation required a fee of \$10,000/MW to support regional research and monitoring. Is a similar fee to support regional research and monitoring reasonable and appropriate for the Third Solicitation? Why or why not?**

This is an appropriate fee, and consistent with commitments in other markets. For example, Mayflower Wind (one of Ocean Winds' other projects) committed to funding \$10,000,000 in Marine Science Research and Development initiatives as part of its successful bid in Massachusetts in 2019. The Mayflower SouthCoast project is now 1,200 MW, which yields a ratio of \$8,333/MW to support regional research and monitoring.

Upon award, the successful bidder should be provided the flexibility to make payments over time and at certain milestones. This will provide both early funding to support monitoring activities and a long-term sustainable funding stream to support organizations like the RWSC and the ROSA.

#### F. Evaluation

**48. Are there any criteria relevant to the evaluation of the Environmental and Fisheries Protection and Permitting Plans, as presented in Section 4.2 of the Evaluation Report for the Second Solicitation that should be added or any criteria that are not relevant and should be removed?**

Section 4.2 of the Evaluation Report and Table 55: Feasibility and Strength of Environmental Protection Plan Evaluation Criteria reference the NJDEP Ecological Baseline Assessment, which is discussed above in Question 37-38. As there have been numerous more recent environmental studies in the region, Bluepoint Wind appreciates the inclusion of “other applicable studies.” Bluepoint Wind suggests NJBPU consider other sources of data identified and discussed above in the responses to Questions 37-38, 39, and 40. Bluepoint Wind also appreciates the recognition that many of the environmental studies will be ongoing over the coming years (“Applicant identifies field studies completed, underway, or planned”) and that therefore the data provided in bid responses will be preliminary and based on the best available data at the time. NJBPU should also consider that the cumulative impacts of the project will be addressed under the Programmatic Environmental Impact Study (PEIS) conducted by BOEM but whose results may be delivered after the submittal of bid responses.

Section 4.2 Feasibility and Strength of Fisheries Protection Plan (FPP) reflects the evaluation criteria of the FPP with the highest rating reflecting “a detailed and comprehensive FPP that demonstrates a superior understanding of potential adverse impacts to commercial and recreational fishing specific to the proposed location of the proposed Project based on recent and appropriate data, and provides a comprehensive, thoughtful and feasible mitigation plan based on robust stakeholder engagement. FPP describes an approach to continued commercial and recreational stakeholder engagement and incorporation of that feedback into the final mitigation plans.”<sup>4</sup> Bluepoint Wind recommends that experience in working with commercial and recreational fisheries in other geographical areas be recognized and that the use of Best Management Practices in the development of mitigation measures also be recognized.

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<sup>4</sup> Evaluation Report – New Jersey Offshore Wind Solicitation #2, pg 106 (May 2021). Accessible at: <https://nj.gov/bpu/bpu/pdf/boardorders/2021/20210630/Offshore%20Wind%20Solicitation%202020-%20Levitin%20Evaluation%20Report.PDF>

**49. Are there any criteria relevant to the evaluation of the “Likelihood of Successful Commercial Operation,” as presented in Section 5 of the [Evaluation Report](#) for the Second Solicitation that should be added or any criteria that are not relevant and should be removed?**

In reviewing Section 5 of the Evaluation Report for the Second Solicitation, Bluepoint Wind notes section 5.4.1 Developer Offshore Wind Experience. With specific reference to Table 85, we recommend removing oil & gas experience as a valuation metric or valuing it less than Yellow. In previous solicitations, it was prudent to consider this given the lack of offshore wind experience present in the United States. However, potential new projects continue to increase in complexity, which only serves to emphasize the need for strong experience directly in offshore wind development.