ATLANTIC SHORES
offshore wind

VIA E-MAIL directed to board.secretary@bpu.nj.gov

Secretary of the Board
44 South Clinton Ave., 1st Floor
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October 7, 2022

Re: In the matter of the opening of New Jersey's Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC) – Docket No. QO22080481
Request for Information dated September 16, 2022
Comments of Atlantic Shores Offshore Wind, LLC

Dear Secretary of the Board,

Atlantic Shores Offshore Wind, LLC, a 50/50 joint venture between EDF-RE Offshore Development, LLC (a subsidiary of EDF Renewables, Inc.), and Shell New Energies US LLC ("Atlantic Shores"), currently holds one of the largest portfolios of offshore wind lease areas in the US, adding up to a total of 262,404 acres and an expected capacity potential of over 4.5 GW ("Portfolio"). Atlantic Shores' Portfolio is made of Lease OCS-A-0499 and Lease OCS-A 05499, which amounts to 183,353 acres and hosts Project 1, a 1,510 MW project awarded an OREC from the New Jersey Bureau of Public Utilities ("NJBPU") in June 2021; and Lease OCS-A-0541, which totals 79,351 acres and was awarded to Atlantic Shores by BOEM pursuant to the recent ATLW 8 Bight Auction. Out of the full Atlantic Shores' Portfolio, 1.5 GW is under firm offtake contract, leaving over 3 GW of uncommitted capacity strategically positioned to meet the offshore wind procurement goals of its target markets, including New Jersey.

Atlantic Shores appreciates the opportunity to submit comments concerning the above-referenced matter.

A. Project Design

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

There is generally more value to maintaining flexibility for developers to define their optimal size based on technical and commercial considerations which may change over time. Setting a minimum and/or a maximum capacity could hinder developers from proposing a 'best-fit' project for New Jersey and may limit the State's ability to award the most valuable, diverse portfolio of projects. In some situations, minimum sizes allow for a lower LCOE and significant supply chain investments, and maximum sizes keep momentum in the State's procurement and schedule on

future offtakes benefitting from a lower LCOE trend. That said, although standardized sizes can help with simplifying evaluation ('compare apples to apples'), it does not foster innovative and differentiating approaches from developers, which will have a greater positive impact on net benefits.

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?

While we note the opportunities granted by not setting minimum sizes, for projects using HVDC technology, which most future projects are likely to use, 1,200 MW is the likely minimum size at this time to allow for economic efficiencies. With larger cables and technological maturation, this minimum size could increase in the near future. Setting a recommended floor of 1,200 MW, while providing opportunity to increase procurement past this, or consider lower sizes, gives the Board the best chance to select the project(s) with highest value to the ratepayers.

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

The procurement size is important, but bidders will seek out project sizes that provide value to New Jersey. Setting sizes may inadvertently reduce creativity for future bids.

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

Developers must consider and coordinate multiple constraints to project design and therefore capacity, some of which influence proposals, but most of which impact a project in years following a bid.

Considerations include interconnection capacity (including taking into account future transmission backbone developments), cable and offshore substation capacities, wind turbine technology (generally projected years in advance of fabrication), siting considerations of onsite environmental studies, fixed lease boundaries and constraints, engagement with neighboring developers and federal agencies (for example on turbine spacing, navigation corridors, etc.) and more generally, design optimization through the NEPA process. Additionally, commercial considerations include negotiations with the supply chain, minimum volumes required for fabrication localization, or, alternatively, for local supply chain continuity, availability of fabrication slots or ports marshalling spots, availability of installation vessels, etc.

For these reasons, although Atlantic Shores acknowledges the benefits of the NJBPU clarifying its expectations with regards to project capacity, however, we urge the State to maintain flexibility in the NJRd3 bid requirements with regards to capacity, which will help developers to define their bidding strategy with a clear view of ratepayers' needs.

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

The project size should be optimized considering the capacity of on and offshore export cables, to reduce the number of cables and number of offshore substation structures installed, reducing cable corridor and right of way width, cost, and impact. This is not a constraint, but an optimization, which may change over time with advancements in wind turbine, cable, and converter technology.

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

From the state's perspective, the system could benefit from the unique energy-time-shift functionality of energy storage, substituting part of the demand, particularly during peak times in some areas of the state. This may result in reducing total system operation cost, avoiding some/all renewable energy curtailments, shrinking carbon footprint, reducing locational marginal prices (LMPs) during peak times, and mitigating high-spike LMPs in the system.

However, from an OSW developer's perspective, the business case for storage, fed by OSW input (collocated) or fully segregated from the OSW project (non-collocated) is not yet demonstrated and we would not suggest including it as a mandatory criterion in future bids. Uncertainties remain on the most relevant use case (OSW facility curtailed energy, other off-peak/peak management, etc.), revenue streams (capacity, energy, ORECs, ancillary services, etc.) and qualification requirements, challenges for interconnection to the network and controlling/monitoring charging/discharging events as well as on the general compatibility with OSW (different schedule, limited curtailment, availability of and location of land at POI for storage space, etc.).

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?

Yes, specific parameters will be essential to ensure bids include storage components that are deliverable and provide value to the grid. For example, clear requirements, framework, or preferences (for example highlighted via scoring criteria) on the below would ultimately allow developers to provide energy storage projects at best value for the ratepayer:

- Physical location affects operational cost of the system and the LMPs and impacts renewables curtailment, indirectly affecting the costs/prices by substituting the avoided curtailment with conventional fossil fuel-based generators
- Behind-the-meter or front-the-meter location, as well as collocated or non-collocated use case will affect feasibility, value and system operations
- Other parameters to consider include interconnection capacity, wiring and configuration of energy storage with renewables in hybrid projects
- Available revenue streams, including ORECs, capacity revenues, ancillary services, etc.

- Settlement conditions

B. Economic Impacts and Strength of Guarantees for Economic Impacts

8. Board Staff is considering requiring deposits that are refundable if firm economic benefits guarantees are met – or a damages term if economic benefits are not met – that would be applicable to all applicants.

a. What are the benefits or challenges of implementing such a requirement?

In our Project 1 proposal in response to the NJ BPU's 2nd solicitation, Atlantic Shores voluntarily proposed a penalty in the event of an economic benefit shortfall, which includes a monetary contribution to a Workforce Development Plan up to a certain shortfall threshold, and a reduction in OREC Price past that threshold. Although we believe that the NJBPU should require a clear demonstration of strength attached to the commitment to create developer accountability, be it a refundable deposit (similar to a monetary contribution) or an OREC price reduction, the risk of standardizing it as a requirement is to remove a means of differentiation for the developers. The best compromise may be to require a shortfall mechanism, rather than imposing a specific damage concept – acknowledging that this may introduce some qualitative assessment in the evaluation of proposals.

b. How would such a requirement affect the level of proposed economic benefits and guaranteed economic benefits applicants submit?

Developers should be seeking a balance of price and net economic benefits in their bids. If they can stand behind their commitments (which in Atlantic Shores' view, are fully guaranteed), they should have no issue abiding by this new requirement.

c. Under such a framework, what deposit forfeitures or damages should be imposed if there are shortfalls relative to the firm economic benefits guarantees?

The simplest way to ensure that projects meet their requirements is with the trigger of OREC price reductions. This combined with the reputational risk of a public lowering of an OREC price will provide ratepayers the protections needed.

d. Under such a framework, what is the difference between a deposit forfeiture or damages term that will facilitate meeting the firm economic benefits guarantees and those that are punitive?

The difference would be proportionality. A punitive deposit forfeiture or damages term would impose an economic penalty disproportionate to (in excess of) the level of the economic benefits

shortfall. Conversely, a forfeiture or damages term that imposes an economic penalty proportionate with the level of economic benefits shortfall would be strictly tailored to facilitate meeting the firm economic benefits guarantees. In reference to our response to question 8.a. however, we recommend that the NJBPU implements a requirement for developers to propose an accountability mechanism but leaves it to developers to differentiate on the actual mechanism and approach.

e. Under the deposit forfeiture framework, how should at-risk deposit amounts be guaranteed? Should the Board require a letter of credit from a creditworthy third party, or should parental guarantees be accepted?

Security / deposit should be allowed in various formats, including surety bonds, letter of credit, deposit, limited parental company guarantees, or any other acceptable form of security to be discussed between the NJBPU and awarded developer. Developers would be incorporating, as part OREC price, the security costs, which have significantly increased due to historical level interest rates and cost of capital.

9. Proposed economic benefits require pledges or guarantees from applicants to ensure timely realization. What are the practical limitations of such pledges or guarantees?

There are supply chain issues that may impact some of the investments at the global or local level. Projects should be able to make the case as to why timely realization pledges have slipped and the NJBPU can determine if this is a valid request. To that end, it should be clear in the Solicitation and subsequent OREC order that providing reasonable justification, the NJBPU can approve delays, not to be unreasonably withheld.

10. Is there specific guidance to applicants that should be incorporated in the SGD to support the identification of benefits and impacts to Environmental Justice and Overburdened Communities, as identified in the 2019 New Jersey's Energy Master Plan and New Jersey's Environmental Justice Law, N.J.S.A. 13:1D-157?

The most efficient way to foster incorporation of benefits and identification of impacts to Environmental Justice and Overburdened Communities in proposals is to refine the evaluation framework enough that specific points can be secured within either or both of the Economic Impacts and Strength of Guarantees for Economic Impacts category and the Environmental and Fisheries Impacts category (as they were defined in the 2nd Solicitation).

11. How should Board Staff consider the benefits and impacts to Environmental Justice and Overburdened Communities when evaluating projects?

This is an important consideration, but impacts can be double sided. It is incumbent upon the project to make the case for why any potential effects are a benefit. For example, local construction could be negative in the short term in terms of street construction, but provide local jobs, and provide longer term benefits that can be quantified.

12. Is there specific guidance to applicants that should be incorporated in the SGD to support the dissemination of benefits to Environmental Justice and Overburdened Communities? For example, the suggestion or requirement to (1) engage with these communities on job training and supply chain opportunities, (2) define the benefits the applicant expects to provide to these communities, including potentially binding or voluntary job creation targets, and (3) explain how the applicant intends to deliver those benefits.

These are all appropriate suggestions and something any responsible bidder would want to do to be a good neighbor.

13. What are the potential benefits and impacts to Environmental Justice and Overburdened Communities associated with the construction and operation of offshore wind projects and the accompanying onshore infrastructure?

Benefits are likely to start with construction and continue through operations with an expanded workforce needed to manufacture and construct critical portions of the projects. The State's focus on workforce creation sets a bar that all developers must clear. Beyond the job opportunities, if a community is host to the onshore cables, they will secure improvements to local roads and other infrastructure as part of the construction scope.

14. How should applicants be required to report on progress toward meeting their commitments to Environmental Justice and Overburdened Communities and engagement with these communities?

Progress should be demonstrated within the monthly progress reporting framework, where the NJBPU is in the best position to seek clarification and ensure that announcements are impactful, as opposed to PR-driven.

15. Are there additional specific requirements, beyond those included in the Second Solicitation's SGD, that should be considered for the Economic Development Plan?

As mentioned in response to question 10, Atlantic Shores supports a more refined scoring criteria table than in the 2nd Solicitation, as it may allow developers to prioritize those economic impact categories that are the most desirable to the NJBPU, and would ensure that between all selected proposals, all categories may be positively affected.

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?

The OREC Order could include provisions for a pre-approved range of changes to the capacity (for example, -/+10% installed capacity as compared to the proposed capacity) and require Board approval for any change outside of that range, not to be unreasonably withheld if the developer can provide best effort and a reasonable justification. The latter is indispensable to account for, on one side, permitting uncertainties and specifically the NEPA EIS Alternatives Analysis that can

considerably impact a project capacity (for example, set back requirements, removal of turbines, etc.), and the other side, technological advancement and the quick development of turbine technologies with larger nameplate capacity, which may create value for the 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?

A performance guarantee would certainly create accountability, but as described in response to question 16, should account for certain flexibility.

18. If performance guarantees are to be incorporated in the Board Order governing the delivery of ORECs, how could a completion guarantee be structured to irrevocably and unconditionally guarantee performance by a certain date?

Based on our experience in other market structures, required security is the most common approach, including allowances for the items defined in response to question 16, and specific mechanisms for curing defaults within a reasonable timeframe.

19. Regarding protection of ratepayer interests:

a. How would the inclusion of a performance guarantee requiring performance by a certain date affect an applicant's OREC offer price?

As mentioned in response to question 17, it may increase the assumed risk profile of the NJ OREC structure and thereby push some developers to include risk premiums within their OREC price proposal.

b. What measures could be taken to protect New Jersey ratepayer interests?

Providing the flexibility described in response to question 16, and framing specifically the events excusing non-performance, the cure period, and a cap to liability, are necessary to limit perceived risk and associated OREC price premiums.

c. Can the cost of a performance guarantee be laid off to a guarantor at good value from New Jersey ratepayers' standpoint? If not, why not?

The cost of the guarantee is determined at market price level and developers will incorporate it into the overall risk profile of the NJ OREC. Given the increasing cost of capital, developers are encountering significant cost increases.

20. N.J.A.C. 14:8-6.6(b)(4) allows ORECs in excess of the Annual OREC Allowance in a given year to be carried forward to the next year if there are unmet ORECs in that year. How should the Board Order address a circumstance where there are persistent unmet ORECs over the OREC term?

Based on our experience in other market structures, production performance can be mandated via a downwards revision of the Annual OREC Allowance after a consistent period of underproduction (several years are needed to be representative). This would entice developers to set their Annual OREC Allowance reasonably.

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.

The current market environment, with increasing inflationary trends in the US and in many other developed countries, is resulting in significant uncertainty in the cost of equipment and major components across the OSW industry. The price of key commodities (steel, aluminum, copper, and others) has exceeded historical levels. The difficult macroeconomic environment continues to be disrupted with the ongoing war in Ukraine.

ASOW will be considering different macroeconomics scenarios when determining the OREC price, including, amongst other, a prolongation of the current macroeconomic environment and a slow recovery back to pre-COVID inflationary situation.

ASOW strongly recommends a pricing mechanism whereby OREC price is adjusted to reflect latest changes in inflation, labor cost and cost of key commodities (one-time adjustment to occur between bidding and COD) as well as an annual OREC price adjustment linked to CPI. For the reason underlying this question, ASOW notes that there has been a trend in recent years for guaranteed maximum price contracts to expand exclusions, in particular for commodity price increases beyond the control of any developer or contractor to manage.

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?

An adjustment mechanism that accounts for changes in commodity pricing and labor cost could favor the development of the Supply Chain, as developers would be able to agree to similar mechanisms with suppliers. This could also provide stability in the overall economics of the project, which are essential to secure financing from lenders. Overall, it would support the attractiveness of investing in OSW projects in the State and help meet the new 11 GW OSW target by 2040.

Although considering an inflation adjustment mechanism could drive an increase of OREC prices in some instances, it would likely be overcompensated by the increase in the competitive attractiveness of the NJ market, attracting multiple bidders and resulting in lower OREC pricing.

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

It is likely that an inflation adjustment would reduce OREC Pricing base given the increased competitive environment.

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

Residual risk pertains to the scope and timing of the inflation adjustment, i.e., is the scope limited to construction costs or does it include operational costs; and is the timing for settlement at FID, COP approval, COD, or yearly during the OREC term?

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?

In a Fixed OREC price structure, developers would need to factor the inflationary risks as well as cost changes of key commodities beyond the fixed price level, which would result in a higher OREC price to ratepayers. This would be further exacerbated given current market outlook and macroeconomic environment.

As per question 22, an inflation adjustable OREC price will increase competitiveness by sharing risks and benefits equitably between ratepayers and applicants in order to support successful project development.

Optionality is a step towards sharing the risk profile but may not result in leveling the risk profile of the project across developers to increase the competitiveness and drive lower OREC prices, as a firm requirement would.

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?

Please refer to Questions 21 and 22.

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 favor the development of the supply chain as developers and ratepayers could share the price risks with suppliers, which could result in a more stable value for all participants and increase the viability of projects. Critical supply chain decisions could be matured earlier in the execution (for instance, long lead orders for critical equipment given lower price risk of key components), increasing deliverability.

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?

Please refer to Questions 22 and 25.

Large infrastructure projects like OSW projects are managing inflationary risks during construction of the project as well as during operations of the windfarm. An inflationary adjustment that recognizes the changes in labor costs and commodity prices during construction could be set as a one-time adjustment. While an inflationary risk escalator, based on CPI, could be considered at COD and thereafter during the duration of the OREC contract.

A simple annual escalator may not be enough to protect bidders from the current market volatility and may drive to higher fixed PREC bid price

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

Inflationary adjustment for construction should be based on multiple indices for labor and key commodity pricing (steel, copper, etc.). During operations, a CPI index may be adequate to reflect inflationary risks.

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?

US OSW industry is rapidly growing and strong and ambitious commitments like New Jersey's 11 GW OSW target by 2040 will support the development of supply chains in the US, which nowadays are largely dependent on European suppliers. The OSW European market has decades of experience in comparison with US, hence critical components are largely sourced outside the US.

OSW projects are significantly exposed to increases in construction costs associated to variations in commode prices. OREC prices are set based on long term price forecasts of such commodities. Developers normally combined publicly, and non-publicly available indices (not all publicly available sources provide price forecast).

Sources like NYSE, London Metal Exchange (LME), S&P Global (IHS) are a valid reference. For US basis commodity the U.S. Bureau of Labor Statistics indices are commonly used.

For inflation, the United States Consumer Price Index (CPI) published by U.S. Bureau of Labor Statistics is commonly referred.

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.

There is limited cost benchmark available of OSW projects are, so internal proprietary models are being used by developers. ASOW has developed internal cost and economic models to estimate the proportion of each commodity into the overall construction and operations cost.

The contribution of a particular commodity into the overall cost is not constant and has fluctuated significantly over the last years given the historical price increases. For instance, most recently construction costs directly susceptible to commodity price fluctuation ranges 20-30% of the overall cost, with steel-based cost disproportionally represented. Construction cost susceptible to inflation ranges 70%-80% of the total cost.

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

A formula-based adjustment mechanism that combines key commodities and inflation would level the risk profile as would recognize the impact of the price volatility of the supply chain.

If the use of the adjustment may affect the evaluation of the bid, this should be clearly explained.

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?

Please refer to question 28.

An inflationary adjustment that recognizes the changes in labor costs and commodity prices during construction could be set as a one-time adjustment to occur between bidding and COD). For instance, calculate the variance between the index value at the moment of the one-time adjustment vs. index value at bid submission.

An inflationary risk escalator, based on CPI, could be considered at COD and thereafter during the duration of the OREC contract. Annual inflation CPI (12mo average)

34. Regarding the milestone for determining the price adjustment date:

a. What is the best milestone for determining the price adjustment date?

Please refer to question 33

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

A fixed calendar event is deemed suitable during the operations phase (e.g., anniversary of COD) to adjust for inflationary impact during the previous year). A yearly adjustment would be simple to calculate and execute. One challenge is that the adjusted OREC price would reflect the

inflationary impact of the previous year and not the current market outlook. This could disproportionately impact the economics in rising inflation market environments.

A defined event would allow to capture inflationary impacts during the period up to that date of event, but like a fixed calendar adjustment, it would not capture the market outlook post the defined event. If BPU would consider a one-time adjustment to occur between bidding and COD date to adjust for inflationary events during construction, such adjustment would address the construction cost impacts, adequately. It also provides flexibility to recognize ongoing impacts if the COD is delayed.

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

For Operations phase, ASOW proposal is to set an OREC adjustment based on CPI that is valid at the anniversary of COD date.

For Construction phase, ASOW proposal is to set a onetime OREC price adjustment to changes in labor costs and commodity prices. Such adjustment to be made any time between bidding and COD date, which is a defined milestone event in OREC.

d. If there is ambiguity, please explain why it should be considered.

Not applicable.

35. 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):

a. What are the benefits and challenges of including a deadband in the inflation adjustment?

The introduction of an OREC inflationary adjustment mechanism is expected to increase competitiveness and result in a lower OREC price to rate-payers. If such price mechanism incorporates a deadband limiting the adjustment to fluctuations, developers would still consider risk premium factors on OREC price, which could diminish the purpose of the price adjustment mechanism.

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

In stable price market environment, a symmetric band could favor leveling the risk/benefit allocation across participants in the value chain of OSW energy system. In periods of uncertainty

and rising price environment, symmetric structures would not be effective as residual risks are too high.

An asymmetric deadband could favor competitiveness amongst developers if higher caps levels are considered and floor levels are set based on historical performance of indices.

c. What is a reasonable deadband percentage to apply and why?

Please refer to question 35.b.

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

Please refer to questions 35.a.

36. What specific content in regard to the inflation adjustment factor in a Board Order awarding a project would strengthen an applicant's ability to execute binding agreements on a timely basis with primary original equipment manufacturers ("OEMs")?

ASOW has developed solid relationships with OEMs which are further strengthen by the support of our shareholders (Shell and EDFR).

There are multiple considerations that are taken into account in the evaluation of a TSA and Service Agreement between developers and OEMs. One consideration being the flexibility to adjust the commercial terms to reflect changes in commodity prices and inflation, which would result in a balance allocation of risk and benefits between parties.

In this context, the proposed inflation adjustment mechanism (refer to Question 21) is expected to increase the ability of developers and OEMS to establish partnerships and bidding arrangements.

E. Environmental and Fisheries Mitigation Plan

37. Are there additional specific requirements, beyond those included in the Second Solicitation's SGD, that should be considered for the Environmental Protection Plan?

Atlantic Shores believes that additional Environmental Protections that developers may elect to participate in and include in their response to the Solicitation are bid differentiators and should be promoted, and developer-driven, rather than required.

38. Are there additional specific requirements, beyond those included in the Second Solicitation's SGD, that should be considered for the Fisheries Protection Plan?

Atlantic Shores believes that additional Fisheries Protections that developers may elect to participate in and include in their response to the Solicitation are bid differentiators and should be promoted, and developer-driven, rather than required.

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.

Data can be shared after final reports are issued, though in some cases this data will still be confidential and require appropriate limits on sharing. This is currently being done through a collaborative process and we look forward to continuing that work.

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?

Given the abundance of information collected, developers could present to the NJBPU this listing and schedule and the BPU could then elect which are most relevant or of interest to their constituents.

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 that is commonly considered proprietary includes identification of culturally sensitive resources regulated under the Section 106 process, as well as historical presence of rare, threatened, and protected species. The information is provided to the NJSHPO and to the NJDEP unredacted for their complete review. These types of information are not typically provided for any infrastructure project development and is not a unique process for Offshore Wind.

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

The proprietary data described above is redacted permanently and not shared due to the sensitivities of the resources protected under state and federal environmental law.

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.

Environmental Surveys along with Mitigation and Monitoring Plans are developed and filed with BOEM as part of the Construction and Operation Plan.

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

Stakeholder review of mitigation and monitoring plans is already part of the NEPA Process and or applicable state and local permitting review. Additional reviews may be redundant and could result in stakeholder confusion and stall project development.

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.

There are many existing data portals for collaborating and sharing data Atlantic Shores strongly supports working within those existing portals that have existing data management protocols. Developers collect the data need to support the prudent development of current and future offshore wind projects. The NJDEP can leverage data from many sources, but if they are looking for OSW developers to contribute to the regional approach, a clear understanding on data collection methods and priorities is needed to balance NJDEP needs with the development needs and requirements for offshore wind development. We look forward to continuing our ongoing collaboration with the NJDEP.

46. What information is available about embodied carbon11 in applicants' proposed supply chains? What types of embodied carbon data can applicants report?

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?

A similar fee is reasonable and appropriate but further refinement and formalization are required in association with the process by which the proceeds from the fee are managed. Atlantic Shores strongly recommends the development of a publicly available Terms of Reference document to clearly outline the associated process for management, selection and funding of associated research and monitoring initiatives supported by this required fee. These Terms of Reference should function to outline the associated roles and responsibilities of the Regional Research Entity as well as any other involved parties (i.e., solicitation awardees, awarded researchers, etc.) to ensure full transparency in decision making.

Additionally, Atlantic Shores requests that solicitation awardees be given a representative role allowing formal participation on the Board of the Regional Research Entity. Specifically, an established opportunity to review and comment on research priorities, project solicitations, and proposed project scopes prior to selection and formal approval.

In association with project selection, Atlantic Shores requests further transparency and communication ahead of project approval regarding how projects will inform and support responsible offshore wind development and have been focused on key marine and coastal resources potentially impacted by offshore development. Atlantic Shores also requests that details be shared regarding how approved projects will complement and build upon the research and monitoring efforts already planned by developers and other organizations.

Following project approval, Atlantic Shores requests that awarded researchers be required to consult and have regular coordination with the developers whose leases, export cable routes, or other project components and activities may be in close proximity to any scientific deployments or activities. To support this objective, researchers should provide a formal overview of the project scope including a regular reporting schedule to ensure transparency in the progress of the projects selected. Early and continued communication will be critical to ensure safe deployments in the offshore space.

Atlantic Shores is fully supportive of a fee to support research and monitoring initiatives aimed at financing projects to support responsible offshore development. Suggestions and comments provided here are intended to ensure that research and monitoring initiatives supported by this associated fee meet these ambitions and coordinate rather than conflict with the objectives of the offshore wind industry.

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?

Currently BOEM is taking comments on fisheries mitigation concepts. Should those be finalized prior to the RFP release, they could be incorporated into the plans.

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?

Likelihood of successful commercial operation as described in the 2nd solicitation document included feasibility of project timelines, permitting plans, equipment and labor supply plans, feasibility of port facilities and marshalling plans, and the current progress displayed in achieving these plans. Additional criteria supporting project deliverability could include experience and array of expertise of key personnel, specifically to the US context, demonstration of track record vs commitments, etc.

Atlantic Shores is excited to work with the NJBPU and looks forward to upcoming solicitations as the state works towards it's new 11GW offshore wind goal.

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Sincerely,

Joris Veldhoven,
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