



January 13, 2022

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

Acting Secretary of the Board,

Please accept the below comments from Community Offshore Wind (“COSW”) in regard to the Request for Information associated with the opening of New Jersey’s third solicitation for offshore wind renewable energy certificates, which was issued by the New Jersey Board of Public Utilities (“NJBPU”) on October 28, 2022. COSW recognizes that distilling and incorporating feedback and comments from a diverse set of stakeholders is not an easy task, and we commend your efforts to date. COSW applauds the NJBPU’s continued nation-leading work to develop offshore wind in New Jersey and looks forward to working together to deliver clean energy and good jobs to New Jersey and its residents.

Following the success of their joint bid in the New York Bight offshore lease auction in February 2022, RWE Renewables (“RWE”), one of the globally leading companies in offshore wind, and National Grid, one of the largest energy companies pivotal to the energy systems in the northeastern United States and the United Kingdom, announced the official name of their joint venture, Community Offshore Wind. This name reflects the benefits the joint venture will bring to the local communities, with the tagline, “Local clean energy for all.” COSW is committed to delivering sustainable energy safely, reliably and efficiently to the communities we serve. RWE and National Grid share a common goal of enabling the clean energy future. Offshore wind will be critical for the U.S., particularly in the Northeast, to reduce carbon emissions and meet climate goals, such as New Jersey’s target of bringing 11 megawatts of offshore wind online by 2040. Importantly, New Jersey’s clean energy goals will also deliver significant new, well-paying jobs and private investment to support the growth of the region’s economy.

COSW appreciates and recognizes the incredible work the NJBPU has done to prepare for releasing the third offshore wind solicitation and looks forward to working together to bring clean energy to New Jersey at an affordable price. We respectfully submit the following comments on the draft Solicitation Guidance Document (“SGD”) with the intention of improving clarity for offshore wind developers in the final version so that proposals submitted in response will best meet the needs of New Jersey ratepayers.

1. Introduction and Overview of the OREC Program

1.2 Overview of the Solicitation: COSW supports the mechanism for OREC pricing to be adjusted for inflation upon Bureau of Ocean Energy Management approval of the Construction and Operations Plan. NJBPU's inclusion of this inflation adjustment provision will help ensure successful delivery of contracted projects despite future changes in rates of inflation, which can have a significant impact on supply chain costs for offshore wind projects. Most importantly, the inflation adjustment mechanism reduces risks inherent in the development process, thereby ensuring projects are successfully built so that New Jersey benefits from the associated green jobs, economic investment, and clean energy that offshore wind projects will provide.

2. Timeline and Mechanics of the Solicitation

2.4 Application Requirements: The provision requiring applicants to submit at least one 1,200 MW project may reduce the overall number of developers who submit proposals, thus impacting the overall range of options from which the NJBPU has to choose, providing less flexibility as the NJBPU seeks to maximize benefits to ratepayers. Instead of requiring a minimum bid, COSW recommends that the NJBPU allow bids up to 4,000 MW.

Moreover, we also suggest the NJBPU strongly consider the allowance of contingent bids in this RFP. Given the direct overlap of this RFP with other state open RFPs and ongoing evaluation periods, developers, who may otherwise wish to submit in this RFP, may be precluded from bidding based solely on initial lease capacity estimates. By allowing contingent bidding, NJ BPU may increase the overall number of proposals and, thereby, increase competitiveness of pricing proposals.

Finally, in order to ensure the NJBPU receives the best possible proposals, the maximum amount of time feasible to respond (greater than 90 days) should be provided. This will create a more level playing field among new and existing developers to provide robust proposals from which the NJBPU can choose and, more importantly, will deliver stronger proposals to maximize benefits for New Jersey ratepayers.

3. Materials Required from Applicants

3.2 Project Descriptions: Expanding the qualifying clause for the entire section would help to level the playing field between new market entrants and other developers. Newer leaseholders

may be in earlier stages of development with less clarity on specific elements such as construction staging and equipment lease/ownership plans. The NJBPU acknowledges the potential for uncertainty by using a qualifying clause in one provision, “To the fullest extent possible, indicate the major types of equipment that have been selected to be installed, and the characteristics specified (N.J.A.C. 14:8-6.5(a)(2)(i)(8)).” COSW recommends further expanding use of the qualifying clause for as much of this section as is practicable in order to maximize flexibility and process fairness.

3.3 Energy Production Estimate: Requiring submission of an attachment to the Application Narrative that includes “A wind resource and energy assessment from a wind energy consultant for the exact manufacturer, model and specifications of turbines selected for the Project (N.J.A.C. 14:8- 6.5(a)(2)(v))” could present challenges at this stage of the process for new market entrants. Specifically, requiring the selection of a specific turbine limits a developer’s ability to leverage next generation technologies as they come to market. Additional flexibility or alternative options would help to alleviate the challenge presented by this draft provision while providing the information to support NJBPU decision-making.

3.6 Documentation of Financial Incentives: This section requests submission of information that is not anticipated to be available at the time of submittal. Such information includes who will provide certain financings as well as names and fees of advisors. COSW encourages the NJBPU to provide additional clarity on whether developers should include assumptions or how otherwise to approach the requirement.

3.7 Project Revenue Plan & Strategy: COSW has concerns over the post-contract revenue sharing provision specifying that, “If the Qualified Project produces revenues after the OREC term, the Applicant must propose the percentage of such revenues it will retain, but the Applicant may not retain more than 25 percent of such revenues with the remainder to be returned to ratepayers.” We acknowledge this requirement is defined in New Jersey Administrative Code but note that developers will very likely account for lower, post-contract merchant revenues as currently proposed in the overall price of the bid. COSW would appreciate additional clarity on this provision in the final SGD.

3.8 Economic Development Plan: COSW supports New Jersey’s prioritization of union labor. By requiring strong labor standards, we can ensure that New Jersey’s clean energy economy creates family-supporting career opportunities for its workforce. COSW supports the intentionality of local hire and diversity and inclusion commitments through community benefit agreements during construction. These commitments should be present through all phases of project development and in the supply chain as they put New Jersey on the path toward building sustainable community and generational wealth. Organized labor has premier training programs through the Building Trades pre-apprenticeship, apprenticeship programs, and other labor management training programs. COSW is eager to realize robust workforce development programs in coordination with labor, academia, and community-based organizations.

3.9 Stakeholder Engagement Plan: COSW is already engaged with the communities of New Jersey. We are proud sponsors of the New Jersey League of Conservation Voters, the New Jersey Business and Industry Association, the New Jersey Chamber of Commerce, and the Chamber of Commerce of Southern New Jersey, among others. In April, when the Business Network for Offshore Wind’s International Partnering Forum (“IPF”) came to Atlantic City, we hosted our launch party at Stockton University’s Noyes Arts Garage, which aligned with our focus on education as part of our community investment strategy. There, we were able to engage with leaders in workforce development, environmental justice, and fisheries. Messages of support were delivered by First Lady Tammy Snyder Murphy and Senator Andrew Zwicker at the celebration. During IPF, we also donated 100 care packages and cases of water to the Atlantic City Rescue Mission, which helps the unhoused population and people in need in Southern New Jersey. COSW looks forward to building on these efforts.

3.10 Environmental Protection Plan and Emissions Impacts: Given that the offshore marine environment is substantially different than the onshore environment, COSW requests clarification from the NJBPU on how best to comply with the requirement to “Provide an assessment of environmental impacts from the Project compared to other similar Class I renewable energy projects (N.J.A.C. 14:8-6.5(a)(11)(xiv)(4)).” If the requirement results in an apples-to-oranges comparison, COSW recommends removing this requirement as the assessment would seemingly be of limited value to the NJBPU. Additional information is sought as to the best approach for the requirement that “The comparative environmental impacts shall be monetized, to the extent possible, for evaluation as part of the overall cost-benefit analysis (see Section 3.17) (N.J.A.C. 14:8-6.5(a)(11)(xiv)(6)).”

3.13 Interconnection Plan: COSW has several questions about how to comply with provisions included in this section and is seeking additional clarity from NJBPU on the following points.

- **Prebuild operations and maintenance (“O&M”):** Who specifies O&M for pre-build infrastructure? Should that be included in the 20-year life? Is the owner responsible for continued operation of the common duct after 20 years? What happens to tenant projects if the pre-build owner no longer wishes to service the asset after 20 years?
- **Cable Requirements:** Regarding the following provision, “Document tasks required and discuss issues associated with electrical interconnection, including the distance between the Project and the specified point to interconnect with the electrical grid (N.J.A.C. 14:8-6.5(a)(14)(i)).”
 - How will developers know the length of the onshore cable route if it is being specified and designed by another firm?
- **Land Acquisition:** Regarding the following provision, “Land acquisition requirements, new equipment to be installed, upgrades to existing equipment required, and any feasibility studies required and the timeframe for review must be identified (N.J.A.C. 14:8-6.5(a)(14)(ii)).”
 - Will design details of the Larrabee Tri-Collector Solution be made available in order to identify elements listed above?

- **Transmission Locations:** Regarding the following provision, “Indicate the location of transmission lines and all points of interconnection to the PJM system serving New Jersey (N.J.A.C. 14:8-6.5(a)(14)(v)).”
 - How would one designate the location of the transmission lines if they are to be described in the pre-build offer?
- **Capacity Request:** Regarding the following provision, “The capacity the Project plans to request under the terms and conditions delineated in the SAA Order, including an explanation of how this capacity value relates to the energy production profile of the Project.”
 - Is there an expectation that projects seek capacity based on project specifics or on PJM-specified CF for offshore wind resource asset category?

Attachments and Forms

Attachment 6: Environmental Mitigation Requirements and Recommendations: The requirements for burial below 6.5 feet may have unintended consequences without improving overall protection of the cables, especially if the Cable Burial Risk Assessment (“CBRA”) does not indicate risk. Requiring protective material if 6.5 feet cannot be reached results in further disturbance of benthic habitat and added costs for ratepayers with minimal gains in protection. COSW asks that NJBPU reconsider burial depth requirements in state waters to minimize benthic disruption and added costs, and suggest a depth commensurate with the CBRA for the cable route outside of state waters and Bureau of Ocean Energy Management requirements for interarray cables.

Attachment 10: Interconnection Plan and Prebuild Infrastructure Requirements: This section requires significant engineering detail that will be difficult for new leaseholders to provide. Given that the solicitation schedule does not allow new market entrants to conduct the months of additional survey and route work this section requires, as much flexibility as the NJBPU can provide is appreciated. COSW has additional questions pertaining to these requirements, including:

- Will alternative proposals that propose landfall outside of Sea Girt be entertained?
- Will NJBPU facilitate permit acquisition with other state agencies to accomplish a Sea Girt to Larrabee route, for instance NJDEP, NJTA, and NJDOT?
- How can project-appropriate-sized cables be provided for the cost forecast if the thermal qualities of the prebuild are not known?
- Will there be central coordination for nearshore cable routing and shore crossing?
- Is there a common expectation for the number of conductors per circuit? (i.e. single conductor per DC pole versus two bundled conductors per pole)
- Regarding the following provision, “The Qualified Project that constructs the Prebuild Infrastructure will be required to keep the conduits accessible and maintained until such time that they are transferred to each Qualified Project that will install cables therein.”
 - Is there an upper bound on this? Will the NJBPU commit to selecting enough Qualified projects in a reasonable time frame to occupy all pre-drilled conduits?

- Who controls land rights at Sea Girt? Will NJBPU facilitate negotiations?
- Who will prescribe safety criteria for vault access, such as multiple egress?
- Will NJBPU make available survey data to support the level of design requested in this section?
- Regarding the following provision, “Applicants are required to provide details of their submarine cable route approach to landfall and at the Sea Girt National Guard Training Center (“Sea Girt NGTC”) landfall along with installation details of the Transition Vaults, including, but not limited to, the identification of potential approaches and directional drilling/boring locations at landfall for a total of four total parallel conduits to accommodate other Qualified Projects’ access to the Prebuild.”
 - Will this require developers to take a view on the likely set of Qualified projects to be selected?

Attachment 11: Offshore Transmission Network Preparation Requirements: Figure A11-2, depicts a system where Offshore Transmission Network (“OTN”) provisions are located on the Offshore Platform (“OSP”). COSW is requesting additional clarification as to whether the NJBPU would accept designs that would place all OTN equipment on a separate purpose-built OTN platform located and electrically connected to an adjacent OSP.

COSW appreciates and recognizes the incredible work the NJBPU has done to prepare for releasing the third offshore wind solicitation and looks forward to working together to bring clean energy to New Jersey at an affordable price.

Sincerely,

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