



January 13<sup>th</sup>, 2023

Aida Camacho-Welch  
Secretary of the Board  
New Jersey Board of Public Utilities  
Submitted electronically to: Board.Secretary@bpu.nj.gov

**Re: IN THE MATTER OF THE ISSUANCE OF NEW JERSEY'S DRAFT THIRD SOLICITATION FOR OFFSHORE WIND RENEWABLE ENERGY CERTIFICATES (OREC) - Docket No. QO22080481**

Dear Ms. Camacho-Welch,

Atlantic Shores Offshore Wind, LLC ("Atlantic Shores"), a 50/50 joint venture between EDF-RE Offshore Development, LLC (a subsidiary of EDF Renewables, Inc.), and Shell New Energies US LLC, currently holds one of the largest portfolios of offshore wind lease areas in the US, adding up to a total of 262,604 acres and an expected capacity potential of over 5 GW ("Portfolio"). Atlantic Shores' Portfolio consists of Lease OCS-A 0499 and Lease OCS-A 0549, which amount to 183,253 acres and host Project 1, a 1,510 MW project awarded an OREC from the New Jersey Board of Public Utilities ("NJBP") in June 2021; and Lease OCS-A 0541, which totals 79,351 acres and was awarded to Atlantic Shores by BOEM pursuant to the ATW 8 Bight Auction. Out of the full Atlantic Shores' Portfolio, 1.5 GW is under firm offtake agreement, leaving over 3.5 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 on the Third draft Solicitation ("Rd3") Guidance Document ("Draft SGD") for the abovementioned Docket, in accordance with guidance provided in the Notice issued on November 30, 2022. We look forward to the final Solicitation Guidance Document ("Final SGD") and remain at your disposal for any clarification on the below.

Please note that Atlantic Shores asserts that, as set forth in that certain Substantiation of Confidentiality dated January 13, 2023 and transmitted simultaneously herewith, certain information included in these comments is exempt from disclosure to the public pursuant to the applicable NJBP rules at N.J.A.C. 14:1-12.1 et seq., the New Jersey's Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. Accordingly, both public (redacted) and confidential (unredacted) versions of these comments are being provided to the NJBP.

Sincerely,

Joris Veldhoven,  
Chief Executive Officer  
Atlantic Shores Offshore Wind, LLC

**A. Overview of the Solicitation**

- **OREC pricing:**

1. *“For each Project, the applicant must propose a fixed, flat OREC price for the proposed term or a fixed price for every contract year, based on a fixed first year price and a fixed annual escalator, for the Project (covering everything other than the Prebuild Infrastructure).”* For clarity, the Final SGD should confirm that the “Fixed first year price” means  $OREC_{Base}$ .
2. The Final SGD should provide a definition of First Energy Year to clarify if it is the year of the proposed COD or a different year.

█ [REDACTED]

- █ [REDACTED]

- █ [REDACTED]

[REDACTED]

█ [REDACTED]

█ [REDACTED]

6. The Final SGD should provide more clarity on what index should be used for the labor component of the  $OREC_{inf}$  formula. The current formula requires monthly indices for the labor component; however, only quarterly or annual data are available on the BLS website (BLS Employment Cost Trends Data Series CIU20200000000001). All other indices are available on the BLS website as monthly data.
7. The inflation adjustment formula proposed in the Final SGD should include indices which represent the main cost drivers of an offshore wind farm. In addition to the indices already included, the formula should include indices related to materials such as copper and aluminum, to mirror adequately the project cost evolution.

- **Prebuild Infrastructure:**

■ [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

9. The Final SGD should:
  - a. Confirm that an Applicant cannot be awarded solely for the Prebuild Infrastructure without also winning an OSW project.

■ [REDACTED]

[REDACTED]

- **Bid and OREC award structure:**

[REDACTED]

[REDACTED]

3. The Final SGD should clarify that, if multiple projects submitted by different Applicants are approved, the Board intends to issue discrete approving orders for each approved project.
4. The Draft SGD includes the following language in Section 2.5 Confidentiality of Applications: *"The Board intends to make all public versions of submitted Applications available to the general public following the Application Submission Deadline. The Applications will be available to the general public by using the Board's Public Document search tool under 'Docket No. QO22080481.'"* This contrasts with the language included in the 2<sup>nd</sup> Solicitation SGD (Rd2), whereby such information was not made public until after the Board's issuance of the Order awarding ORECs: *"The Board intends to post on its website all public versions of all Applicants' submissions after the final Board Order awarding ORECs under this solicitation."* See Round 2 SGD, Section 2.5. The approach taken by the Board in Rd2 was also consistent with N.J.A.C. 17:12-1.2(c), which provides: *"When the RFP permits negotiation with bidders after the submission of proposals, such proposals shall be made publicly available only after issuance of a notice of intent to award."* Atlantic Shores recommends that the Board approach this issue in a manner consistent with Rd2, and not release the public version of the applications until after an Order awarding ORECs has been issued. Atlantic Shores presumes there will be the potential for changes and/or clarifications to proposals following the filing of the initial applications as there was in Rd2 (i.e., Rd3 will include a negotiation component), whether through responses to clarifying questions and/or through submission of best and final offers. Allowing Applicants access to aspects

of another Applicant's applications while there is a continued opportunity to modify proposals will undermine the competitive nature of the solicitation and be inconsistent with N.J.A.C. 17:12-1.2(c).

**B. Applicant Information**

1. The Final SGD should clarify if the 1,200 MW mandatory project size is intended to be the total WTG nameplate capacity, or the maximum power injected at the Point of Interconnection at the Larrabee Collector station as intended in the SAA Order.
2. If the intent of the 1,200 MW mandatory project size is to be the total WTG nameplate capacity, the Final SGD should state either a firm requirement or at minimum a preference as to whether the addition of wind turbines should stop slightly below or slight above the target project size (within the nameplate of one turbine without derating of wind turbine). [REDACTED]
3. The Final SGD should clarify that references to nameplate capacity mean the nameplate capacity featured on the turbine type certificate, [REDACTED]

[REDACTED]

**C. Project Descriptions**

[REDACTED]

█ [REDACTED]

**D. Energy Production Estimate**

1. "Account for, to the fullest extent possible, the coincidence between time of generation for the Project and peak electricity demand." The Final SGD should clarify what is meant by "account for the coincidence" of generation. █  
█
2. "Provide an estimate, with support, of the amount of energy that will be generated over the term of the life of the turbines." The Final SGD should confirm whether this estimate should be based on the Applicant's view of (1) the operating life of the turbines (including OREC and post-OREC term) or (2) the duration of the OREC term.

**E. Financial Analysis**

█ [REDACTED]

█ [REDACTED]

**F. Project Financing Plan**

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

**G. Project Revenue Plan & Strategy**

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**H. Economic Development Plan**

- [REDACTED]

- [REDACTED]

[REDACTED]

- [REDACTED]

- [REDACTED]

**I. Environmental Protection Plan & Emissions Impact**

- [REDACTED]

- [REDACTED]

[REDACTED]

- [REDACTED]

4. The Final SGD should clarify the payment schedule associated with the \$10,000 per MW fee, as well as define further the scope and plans for use of the RMI funding, including future collaboration with Qualified Applicants to support initiatives providing the most value to the state, responsible OSW industry development and environmental and fisheries protection.

**J. Fisheries Protection Plan**

- [REDACTED]

**K. Project Timeline**

1. The Final SGD should clarify what is meant by “resource monitoring” in Section 3.12 and what level of detail is expected to fulfill this criterion.

**L. Interconnection Plan**

1. The Final SGD should:
  - [REDACTED]



i.e., OSW project COP approval (please see our comment A3)? Since the Prebuild Infrastructure is mostly civil work, and using primarily HDPE and concrete, Atlantic Shores recommends including a separate table with escalation factors for these specific materials.

**M. O&M Plan**

- [REDACTED]
- [REDACTED]

**N. Criteria for Evaluation of Application**

- **Evaluation criteria:**

1. The Final SGD should:
  - a. Provide guidance on how the selection of the Prebuild Infrastructure will be evaluated (criteria and their weight).
  - b. Elaborate on how economic impacts, strength of guarantees of economic impacts, environment and fisheries impacts build up the 30% non-price criteria.
  - c. Provide input on how scores will be assigned with regards to the 70% price criterion (e.g, if the most competitive project gets 70 points, how will other projects rank relatively?).

- **Storage / [REDACTED]**

2. The Final SGD should:
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]
  - [REDACTED]

■ [REDACTED]

■ [REDACTED]

**O. Environmental Mitigation Requirements and Recommendations**

1. The Final SGD should clarify if project visualizations and visual impact studies are required to assume the presence of installed offshore wind projects within nearby or adjacent lease areas (other than the Qualified Project).

**P. Interconnection Plan and Prebuild Infrastructure Requirements**

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

5. The Final SGD should clarify what the "*lightly loaded*" and "*fully loaded*" cases refer to on page A10-12 in Appendix 10 of the Draft SGD.
6. The Final SGD should clarify what the "*4-hour overload*" and "*15 min overload*" cases refer to on page A10-12 in Appendix 10 of the Draft SGD.

**Q. Offshore Transmission Network (OTN) Preparation Requirements**

1. OTN-Ready is defined as the reservation of space on the offshore substation platform to accommodate future additions of OTN tie cables and operation. The Final SGD should confirm that no OTN equipment (e.g. 230kV circuit breaker, transformer, etc.) cost should be included in the Application.