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VIA ELECTRONIC MAIL ONLY

Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
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Board.secretary@bpu.nj.gov

Genevieve DiGiulio
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Re: In The Matter of Declaring Transmission to Support Offshore Wind A Public Policy of the State of New Jersey
Developer Quarterly Report for Close of Second Quarter 2023
Docket No. QO20100630

Dear Secretary Golden:

On October 26, 2022, the New Jersey Board of Public Utilities (“BPU” or “Board”) staff (“Staff”) issued the State Agreement Approach (“SAA”) Order (“SAA Order”)¹ awarding a series of projects under the SAA. The SAA Order sets forth certain quarterly reporting obligations. Specifically, the SAA Order’s Item 6 of Appendix B requires the following:

The SAA Developer shall provide regular, quarterly status reports in writing to the Board. The reports shall contain, but not be limited to, updates and information regarding: (a) current permitting and land acquisition status of the project; (b) current engineering and construction status of the project; (c) project completion percentage, including milestone completion; (d) current target project and phase completion date(s); and (e) cost expenditures to date, including any associated overhead and fringe benefits related costs and revised projected cost estimates for completion of the project.

¹ In the Matter of Declaring Transmission to Support Offshore Wind a Public Policy of the State of New Jersey, BPU Docket No. QO20100630, Order dated October 26, 2022 (“SAA Order”).

In addition, the SAA Order requires that these quarterly reports “shall include, but are not limited to, updates on construction activities, community engagement, all PJM and FERC filings and updates, schedule updates and notification of delays.”²

In compliance with these requirements, Jersey Central Power & Light herein submits its quarterly report for the three months ended on June 30, 2023, which appears on Attachment A hereto.

Very truly yours,



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cc: Andrea Hart
Jim Ferris
Ryann Reagan

² SAA Order, at 71.

**QUARTERLY REPORT
FOR
Jersey Central Power & Light Company**

1) EXECUTIVE SUMMARY

Project Name: New Jersey Clean Energy Corridor (“NJCEC” or “Project”), formally referenced as “Larrabee Tri-Collector Solution.”

Scope Summary (please provide a high-level summary). Please highlight any major project developments or changes to previous quarterly reports, including not limited to scope changes or completion dates: The NJCEC project is designed to provide interconnection points for the distribution of 4,890 MW of offshore wind generation by 2030.

Jersey Central Power & Light Company (“JCP&L” or “Company”) does not have any pending scope or schedule changes before the Board. The Company notes that on June 29, 2023, the Board approved minor scope modifications related to the State Agreement Approach at its Agenda Meeting, including modifications to JCP&L projects. Those modifications were previously presented to stakeholders at a meeting of the PJM Transmission Expansion Advisory Committee (“TEAC”) held on May 9, 2023.

2) Current Permitting and Land Acquisition of the Project

Provide update. Highlight milestones, outstanding items, and issues. Include percentage completion.

The NJCEC project does not require any land acquisition. As noted in the previous quarterly reports, the Company has completed an environmental survey between East Windsor Substation and Smithburg Substation to map the 30 feet of right of way disturbance area required for tree clearing within the entire JCP&L-owned right of way. This is to identify anticipated mitigation requirements for New Jersey Department of Environmental Protection (“NJDEP”) permitting.

The Company is continuing to determine what environmental and construction permits are required, including required start dates and perceived durations. Relatedly, the Company continues to work through options to satisfy the anticipated mitigation requirements related to tree clearing within specific Watershed Management Areas (“WMA”) along the Company’s existing right of way. The tree clearing mitigation requirements traverse three different WMAs along the Company-owned right of way.

On July 5, 2023, in anticipation of an aggressive permitting timeline, the Company released a bid for the environmental engineering, permitting, and oversight for the Project. The Company has scheduled a NJDEP pre-application meeting for August 23, 2023, to review the Project, discuss permitting philosophies, and explain the Company’s mitigation plan. To date, the Project is approximately three percent complete as it relates to permitting.

3) Current Engineering and Construction Status of the Project

Provide update. Highlight milestones, outstanding items, issues, and proposed or approved scope change.

As noted in prior reports, the Company has completed a scope review of all phases of the Project and continues to finalize detailed engineering milestones that comport with the required in-service dates. Engineering was assigned for all substation-related activities on March 15, 2023. Transmission overhead engineering was assigned on March 28, 2023. The Company and Mid-Atlantic Offshore Development have begun coordinated engineering discussions and have achieved milestones related to site plan, layout and converter-to-line exit coordination.

The Company presently does not have any outstanding items, issues, or proposed scope changes. By order issued on June 29, 2023 (“June 29 Order”), the Board approved specific changes to the Company’s designated scope of work, including the following:

- Baseline project b3737.53 to remove approximately 7.7 miles of existing E83 line along the Larrabee-Smithburg right of way that is not in service (required In Service Date of 12/31/2027);
- Baseline project b3737.54 to remove the existing H2008 Larrabee-Smithburg No. 2 230 kV transmission line (required In Service Date of 12/31/2027);
- Baseline project b3737.55 at Middlesex 230 kV substation to replace a 2000A circuit switcher at Middlesex Switch point for the Lake Nelson I 1023 230 kV (required In Service Date of 6/1/2029); and
- Baseline project b3737.59 for the Windsor to Clarksville subproject to upgrade terminal equipment at Windsor 230 kV (required In Service Date of 6/1/2029).

These changes were presented to stakeholders at the May 9 TEAC meeting. PJM’s reliability studies indicated the above scope changes are necessary.

4) Project Completion Percentage, Including Milestone Completion

Provide update on milestone progress, including percentage complete of each milestone. This can be a table, if preferred. Please do not only reference another document.

The Project is currently in the engineering, procurement and permitting phase. While the Company and PJM agreed to milestones on January 13, 2023, no milestones have been completed as of this report.

5) Current Target Projects and Phase Completion Dates

Provide updates, project milestones that are in the pipeline, and when projects in the pipeline are expected to be completed. Please include overall project completion date. Please do not only reference another document.

The Company does not have any updates to project milestones at this time. As stated above, the Project is currently in the engineering, procurement and permitting phase.

6) Cost Expenditures

Include any associated overhead and fringe benefits-related costs and revised projected cost estimates for completion of the project. Highlight any cost adjustments. Provide initial project cost (at time of SAA Order), overall (current) expected project cost, and current spend.

The Company has spent \$2.4 million as of July 24, 2023. The above-referenced JCP&L-designated scope changes will result in an additional, estimated total cost increase of \$22.79 million. Of this amount, approximately \$1.58 million represents shifted project costs from other SAA developers for work related to the above Windsor-Clarksville baseline project.

7) Community Engagement

Provide an update regarding any community engagement activity in which you have engaged this quarter.

The Company is in the process of soliciting an economic impact study procured by the Edward J. Bloustein School of Planning and Public Policy at Rutgers University. Additionally, on July 18, 2023, the Company met with certain members of the New Jersey House of Representatives in Washington, D.C. to discuss the NJCEC project and answer questions. Finally, the Company anticipates beginning a robust community outreach program during the fourth quarter of this year by meeting with relevant municipalities in order to introduce the Project and receive feedback from those municipalities.

8) PJM FERC Filing Update

Provide updates on any relevant PJM FERC Filing activities related to the project that occurred during this quarter.

On August 14, the Company provided its executed SAA Designated Entity Agreement (“DEA”) to PJM for signature, and PJM returned the fully executed version of the DEA to the

Company. As of this report, PJM is expected to file the DEA with the Federal Energy Regulatory Commission (“FERC”) within 7-10 days.

On April 17, 2023, the Company filed an application with FERC for an “abandoned plant incentive”, which as permitted per FERC Order No. 679 and related orders and regulations would provide recovery for JCP&L’s prudently incurred costs if the Project is abandoned for reasons outside of the Company’s control. A decision by FERC on the filing is currently pending and is expected by August 22, 2023.

Tax and Grant Incentives

The Company has formed an internal team to work through the application process for potential incentives. In addition, the Company has partnered with Electric Power Research Institute and Momentum to assist with obtaining potential loans under the Energy Infrastructure Reinvestment (“EIR”) Financing program established pursuant to the Inflation Reduction Act (“IRA”).

The anticipated timeline for the application in the EIR program is outlined below:

Event	Estimated Date
Pre-Application Meeting with U.S. Department of Energy (“DOE”) Loan Programs Office (“LPO”)	July 27 th , 2023 (COMPLETE)
Application Part 1 Submitted to LPO	September, 2023
Application Part 2 Submitted to LPO	2 months after LPO determines application is eligible to proceed

Other Federal Programs of Note

The Company is following several potential funding opportunities available under the Infrastructure Investment and Jobs Act (“IIJA”) and the IRA that may have potential to offset customer costs related to the Project. For example, the Transmission Facilitation Program under the IIJA is a revolving fund program that provides federal support towards the development of new transmission lines as well as upgrading existing transmission. The DOE plans to issue additional Requests for Proposals in the future for this program, including seeking more capacity contracts and direct financing opportunities.

JCP&L also identifies two programs under the IRA as additional financial opportunities. First, the Transmission Facility Financing Program is a \$2 billion direct loan program for transmission facility financing for the construction or modification of electric transmission facilities designated to be in the national interest under Section 216(a) of the Federal Power Act.

The DOE plans to issue final application guidance for this program concurrent with the finalization of its needs study, which is anticipated to be released in late summer of 2023.

Second, the Transmission Siting and Economic Development Grants Program is a \$760 million program to facilitate the siting and permitting of interstate onshore and offshore transmission lines or for economic development projects undertaken for a covered transmission project. The DOE released a request for information with responses due by February 28, 2023. To date, nothing further has been communicated about the program.

9) Attachments, as applicable (list names of all attachments included, next to the Items number above to which they each refer):

The Company does not have any attachments to provide at this time.