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October 30, 2023

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

On October 26, 2022, the New Jersey Board of Public Utilities (“BPU” or “Board”) staff (“Staff”) issued the [SAA Order](#)<sup>1</sup> 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

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<sup>1</sup> 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 Oder”).

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.

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.”<sup>2</sup>

In compliance with these requirements, Mid-Atlantic Offshore Development, LLC herein submits its quarterly report for the three months ended on September 30, 2023, which appears on Attachment A hereto.



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<sup>2</sup> SAA Order, at 71.

**QUARTERLY REPORT  
FOR THE THIRD QUARTER 2023  
FOR  
MID-ATLANTIC OFFSHORE DEVELOPMENT, LLC**

**1) EXECUTIVE SUMMARY**

Project Name: Larrabee Collector Station

*Scope Summary (please provide a high-level summary). Please highlight any major project developments or changes to previous quarterly reports, including but not limited to scope changes or completion dates:*

Scope Summary: Construction of the Larrabee Collector Station AC switchyard (“Larrabee Collector Station”) and acquisition of adjacent property sufficient for siting of up to four (4) high voltage direct current (“HVDC”) converter stations, which will be constructed by offshore wind developers on the property.

There have been no major project developments in the third quarter of 2023.

**2) Current Permitting and Land Acquisition of the Project**

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

In the third quarter of 2023, Mid-Atlantic Offshore Development, LLC (“MAOD”) met with state and local regulators in furtherance of its permitting efforts. MAOD’s permitting efforts included the following:

- MAOD met with representatives from the New Jersey Department of Environmental Protection (“NJDEP”) to discuss the permitting process for the project.
- MAOD submitted a cultural resources consultation letter to the New Jersey Historic Preservation Office.
- MAOD met with representatives from Howell Township to review and discuss township permitting and development requirements.
- MAOD continued its development efforts with regard to various studies to support the permitting process, including environmental, surveying, geotechnical, and community acoustics studies.

Currently, permitting for the project is less than 5% complete.

### 3) Current Engineering and Construction Status of the Project

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

MAOD’s engineering and pre-construction work in the third quarter of 2023 included the following:

- Continued front-end engineering design (“FEED”) work
- Issuance of a request for proposal (“RFP”) for a geotechnical contractor
- Issuance of a request for information (“RFI”) to potential engineering, procurement, and construction (“EPC”) contractors, including to gather information regarding lead times for certain equipment
- Based on lead times for main power transformers, a determination to issue an RFP for main power transformers separate from and earlier than MAOD’s planned issuance of an RFP for an EPC contractor
- Continued coordination with Jersey Central Power & Light (“JCP&L”) on interconnection planning work necessary to connect the project to JCP&L’s Larrabee, Smithburg, and Atlantic Substations
- As requested by NJBPU Staff, continued provision of information to Staff regarding the Larrabee Collector Station so that Staff may continue its development of the third offshore wind solicitation
- In connection with performing FEED work for the injection capacities included in the SAA Order, MAOD has raised issues related to transformer sizing and compliance with reactive power requirements set forth in FERC Order No. 827 (Reactive Power Requirements for Non-Synchronous Generation) with NJBPU Staff for its consideration

MAOD is not yet in the construction phase of the project.

### 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 table below provides the milestone dates set forth in MAOD’s Designated Entity Agreement (“DEA”) for the project, and milestone completion percentages.

Milestones				
<b>PJM Baseline Upgrade ID</b>	<b>Execute Interconnection Coordination Agreement:</b> On or before this date, Designated Entity must execute the Interconnection Coordination Agreement or request the agreement be filed unexecuted.	<b>Demonstrate Adequate Project Financing:</b> On or before this date, Designated Entity must demonstrate that adequate project financing has been secured. Project financing must be maintained for the term of this Agreement	<b>Acquisition of all necessary federal, state, county, and local site permits:</b> On or before this date, Designated Entity must demonstrate that all required federal, state, county and local site permits have been acquired.	<b>Required Project In- Service Date:</b> On or before this date, Designated Entity must: (i) demonstrate that the Project is completed in accordance with the Scope of Work in Schedules B of this Agreement; (ii) meets the criteria outlined in Schedule D of this Agreement; and (iii) is under Transmission Provider operational dispatch.
<b>b3737.22</b>	10/31/2023	5/31/2024	3/31/2027	12/31/2027
<b>Milestone Completion (%)</b>	100%	Demonstration milestone date remains 5/31/2024	<5%	<5%

## 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 Interconnection Coordination Agreement, between MAOD, JCP&L, and PJM, was fully executed on October 27, 2023.

The overall completion date for the project is December 31, 2027.

## 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.*

Capital expenditures for the project, as of September 30, 2023, and current estimates for the scope of work awarded to MAOD by the NJBPU are set forth below.

Project	Current Estimate	CapEx through 9/30/23
Larrabee Collector Station, Including Prebuild Extension Work and AC Collector Lines	\$216 million	\$56.1 million
Prebuild Infrastructure Study	\$290,000	\$215,000

The current estimates are consistent with the cost estimates for MAOD’s scope of work that were acknowledged by the NJBPU in its June 29, 2023 Order in Docket No. QO20100630.<sup>3</sup>

### 7) Community Engagement

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

In the third quarter of 2023, MAOD met with representatives from Howell Township to introduce and discuss the project. This meeting included discussion of plans for engaging with the community regarding the project. MAOD is continuing to develop these plans and will continue to coordinate with the township as it moves forward with project development.

### 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 21, 2023, MAOD and PJM fully executed the Designated Entity Agreement for the project.

On September 21, 2023, MAOD filed a Petition for Declaratory Order for Authorization to Utilize Incentive Rate Treatment and Request for Expedited Consideration (the “Petition”) with the Federal Energy Regulatory Commission (“FERC”). The petition requested the following incentive rate treatments for the project: (1) recovery of all prudently incurred pre-commercial costs not capitalized and authorization to establish a regulatory asset that will include all such expenses; (2) recovery of 100% of the prudently incurred costs, including costs incurred prior to the filing of the Petition, in the event that the project must be abandoned for reasons outside of MAOD’s reasonable control; (2) use of a hypothetical capital structure consisting of 50% debt and 50% equity until the project achieves commercial operation; and (4) inclusion of a 50-basis point

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<sup>3</sup> 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 June 29, 2023.

adder to MAOD's base return on equity (ROE) for regional transmission organization (RTO) participation. The petition is pending in FERC Docket No. EL23-101.

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

None