



Save LBI
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Via Email

November 7, 2023

Hon. Sherri L. Golden, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, NJ 08625-0350

**RE: IN THE MATTER OF BOARD
ORDER DATED 6/30/21 APPROVING OFFSHORE
RENEWABLE ENERGY CERTIFICATES (ORECS)
DOCKET NO. QO20080555**

**IN THE MATTER OF THE BOARD OF PUBLIC
UTILITIES OFFSHORE WIND SOLICITATION 2
FOR 1,200 TO 2,400 MW - ATLANTIC SHORES
OFFSHORE WIND PROJECT 1, LLC
DOCKET NO. QO21050824**

**IN THE MATTER OF THE OPENING OF NEW
JERSEY'S THIRD SOLICITATION FOR
OFFSHORE WIND RENEWABLE ENERGY
CERTIFICATES (OREC)
DOCKET NO. QO22080481**

Dear Secretary Golden:

On August 7, 2023 Save LBI, Inc. filed a Petition requesting a hearing in the matter of the Board's order of 6/20/2021 awarding Offshore Renewable Energy Certificates (ORECS) to the Atlantic Shores Offshore Wind ("ASOW") Project 1. In that Order the Board found that that the project meets or exceeds all the standards for a qualified offshore wind facility as set forth in N.J.S.A. 48:3-87.1 et seq. and N.J.A.C. 14:8-6.5 et seq. Specifically, the Board found that:

- a. The cost-benefit analysis supporting the Board's evaluation of the ASOW bid demonstrates positive economic and environmental benefits to the State.

- b. The financing mechanism, based on proposed OREC pricing and allocation of available tax credits, fairly balances the risks and rewards of the project between ratepayers and ASOW shareholders.

In reaching those conclusions, the Board relied on its Staff's recommendations which were based largely on its consultant's evaluation of bids submitted under the Board's Second Solicitation for ORECS.

Our Petition challenged those findings and detailed the defects in the consultant's evaluation of those bids, including that for the ASOW project. In summary, we believe that the Board's findings with respect to the requirements of the Offshore Wind Economic Development Act (OWEDA) were erroneous in that:

- a. The cost-benefit analysis the Board relied on is highly flawed because:
 - 1) The estimate of economic benefits ignores the offsetting negative economic impacts of the project on beach tourism and on shore and fishing communities, and on the broader NJ economy from the higher electricity rates which significantly offset any economic development benefits of the project.
 - 2) The values proposed to represent the environmental benefits are highly subjective and are intended to reflect global impacts of greenhouse gas emissions and are thus inappropriate for representing only state-wide impacts, as required by law.
- b. The financing mechanism places an unfair burden on ratepayers while allowing ASOW and its shareholders to realize an internal rate of return (IRR) on its investment well in excess of that which is reasonable for its level of financial risk in the project.

Our petition provides detailed analysis supporting our position on these issues.

We have yet to receive a decision by the Board on our request for hearing on these matters. Atlantic Shores has not refuted our analyses or provided any rebuttal to the specific issues we have raised. Instead they have filed motions to dismiss our Petition on procedural grounds and lack of timeliness.

While we have opposed the motion to dismiss and continue to seek an opportunity for a hearing on the Board's order in the case of the ASOW project, we are also mindful that the Board has undertaken a Third Solicitation for ORECS and that the Staff and its consultants are currently evaluating bids for new OREC awards in the next few months.

We wish to provide notice that, if the same methodology used in the prior solicitations is employed in the Third Solicitation or in any proposed revision to the OREC prices on the ASOW project, and is the basis for the Boards's findings that the OWEDA mandates have been satisfied, we will timely file a Petition or appeal to challenge those findings as we have in our existing Petition. It is therefore in the interests of all parties if the Staff addresses those defects in its bid evaluation methodology in order to obviate the need for such a challenge in the future.

We would welcome the opportunity to discuss our concerns with the Board or its staff and await a decision on our outstanding Petition.

Sincerely,



Bob Stern, President, Save LBI Inc

CC: Via Email

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