

**Leading Light  
Wind**

# **New Jersey's 3<sup>rd</sup> Offshore Wind Solicitation – Best and Final Offer Opportunity Narrative**

**December 15, 2023**



Prepared By

**The Leading Light Wind project team on behalf of:  
Invenergy Wind Offshore LLC**

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Origination



## Introduction

Dear Mr. Ferris and NJBPU Staff,

On behalf of Leading Light Wind (“LLW”), we are pleased to submit our Best and Final Offers (BAFOs) for New Jersey's Third Offshore Wind Solicitation. Since submitting our original proposal on August 4, 2023, the Leading Light Wind team has been working tirelessly to advance the development of our project and ensure that we are best positioned to deliver on each of our bid alternatives to New Jersey.

[REDACTED]

As a result of the LLW team's continued work and optimization of the project we are pleased to offer a reduction in the OREC price for our [REDACTED] project alternative.

In addition to the reduced OREC price for our [REDACTED] project alternative, we are providing the following pricing for this BAFO, as requested by the NJBPU:

- For **Total NJ3 Award Group Sizes** of [REDACTED]; and
- With and without **Cost Sharing** for [REDACTED]

Finally, this BAFO contains follow-ups on certain items of note, including energyRe's capital raise and our jobs shortfall compensation mechanism.

Please feel free to reach out with associated questions or clarifications and thank you for your consideration of the Leading Light Wind proposal.

Best Regards,

*Bryan Schueler*

Bryan Schueler  
Project Officer, Leading Light Wind  
Senior Executive Vice President and Construction Business Leader, Invenergy

## BAFO Items of Note

As discussed in our original application, [REDACTED]

The implementation of this approach allows the project to [REDACTED]

[REDACTED]. Importantly, this approach:

- Does not impact the Guaranteed Minimum Total Direct In-State Jobs Creation and Expenditures that we have committed to for this project alternative (although we expect that we will be able to realize some of these benefits earlier);
- Is compatible with previously provided indications around when the project would require the Prebuild Infrastructure to become available; and,
- Conforms with [REDACTED].

## Economic Impacts Tab in the Application Forms

After a thorough and comprehensive review, we are largely maintaining the economic benefits that we are offering to the state of New Jersey. However, for the additionally requested scenarios, we have reflected gains in employment of approximately [REDACTED] FTEs for the [REDACTED] project alternatives and approximately [REDACTED] FTEs for the [REDACTED] projects in our Guaranteed Minimum Total Direct In-State Jobs Creation for the Construction Phase. These additional FTEs are specifically associated with the construction trades that will work on the [REDACTED] expansion. As indicated by [REDACTED] includes purchase and installation of specialized equipment and [REDACTED] could not guarantee that the specialized and skilled labor required for this work could be sourced in New Jersey.

Please also see items below regarding important updates to the proposed jobs shortfall compensation mechanism and guaranteed commitments to benefit OBCs and SMWVBes.

## Jobs Shortfall Compensation Mechanism

As provided in our response to the October 31, 2023, Clarification Questions (NJBPU Question #3), LLW proposes to strengthen the jobs shortfall compensation mechanism provided in our bid proposals such that LLW will provide \$2,500 for

each FTE-year commitment shortfall towards expanding our workforce development training efforts as described in Section 8 ("Economic Development Plan") of our bid proposal. For avoidance of any doubt, LLW is removing any stipulation previously stated proposing a spending shortfall threshold for the Jobs Shortfall Compensation Mechanism. In that respect, this proposal modifies our previous response to Question #8 in Clarifying Question Set 1 (received by LLW on September 1, 2023) and the proposed Jobs Shortfall Compensation Mechanism described here is unconditional.

An annual escalation rate of 2.5% will be applied to adjust the nominal \$2,500 value from 2024. To illustrate, if the total jobs shortfall for a phase is 30 FTE-years, then the shortfall compensation would be \$75,000 (30 x \$2,500) in 2024 dollars, with the actual amount calculated by applying the 2.5% compound escalator.

Notwithstanding the best efforts of the State of New Jersey, the New Jersey Wind Institute, and the many supply chain and workforce development efforts within the state that support the growth of the offshore wind industry in New Jersey, we assume that any shortfall of LLW's in-state job guarantees that may remain is the result of a supply-constrained market for sufficiently trained and prepared local workforce. Therefore, it is appropriate that compensation payments for any shortfall, subject to NJBPU approval, shall be committed to fund additional programmatic workforce development investments – as described in Section 8.5 of our bid proposal ("Economic Development Plan") – to further workforce development efforts in New Jersey.

Through our close association with supply chain and workforce development partners we understand that \$2,500 is generally sufficient to provide baseline training for one student to be certified with basic job skills, such as those required for jobs in wind turbine maintenance, the building trades, or advanced manufacturing. The \$2,500 amount per trainee will cover typical baseline training costs for a job seeker looking to embark on a career in offshore wind. An example would be a Working at Heights safety training course for wind technicians, post-secondary training to gain experience as a CNC (computer numerical control) machinist, or participants in a pre-apprenticeship program in one of the building trades.

It should be noted that, since all of LLW's in-state spending shortfalls (including any potential labor income expenditures shortfall) are covered by our unconditional in-state spending guarantee, the economic impacts to the state associated with a job creation shortfall, such as loss of labor income, are already compensated.

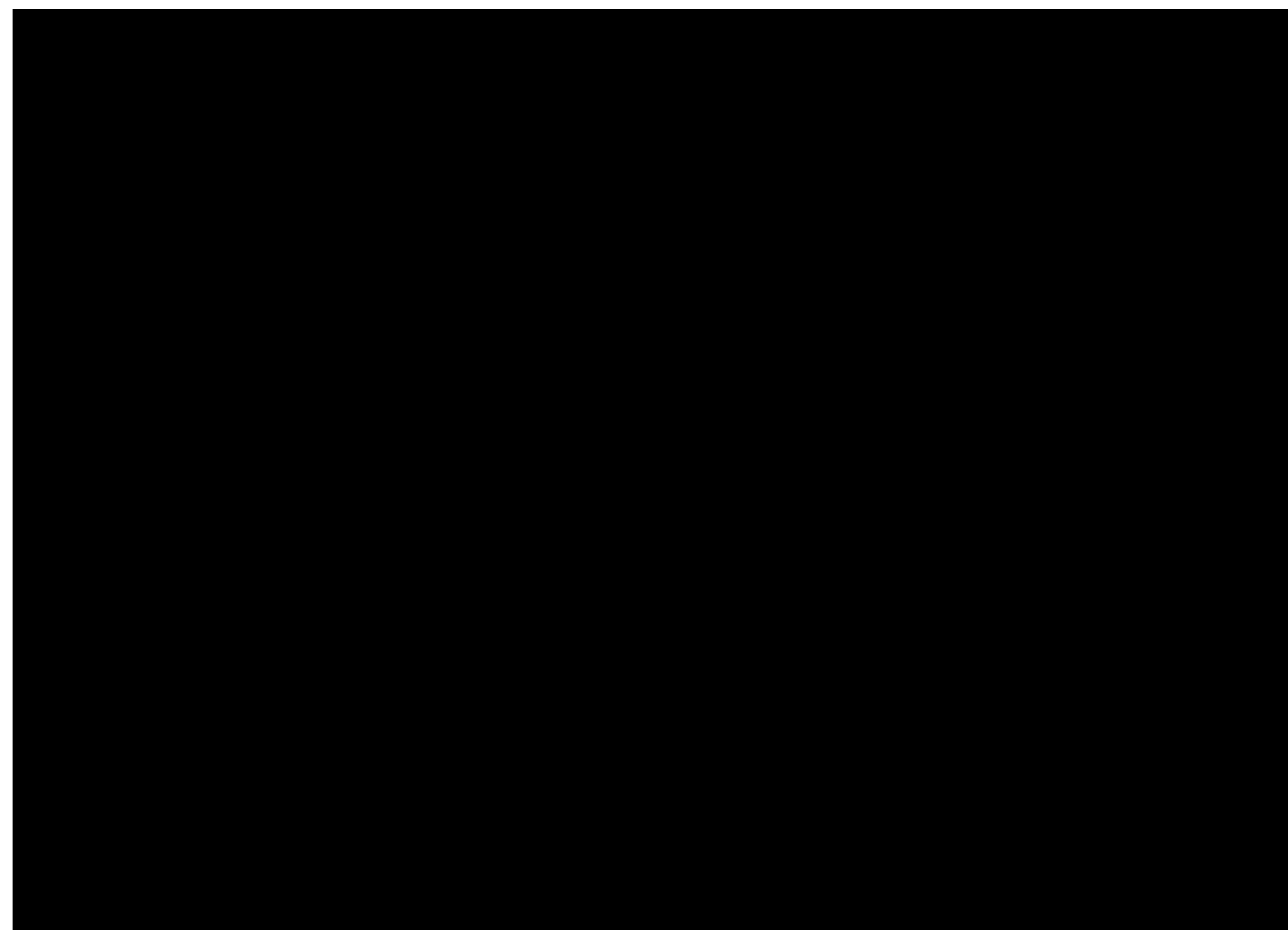
## Supplier and Workforce Commitments to Benefit OBCs and SMWVBES

LLW proposes the following updates to our submitted bid proposal to emphasize the strength of our guarantees for economic impacts that benefit New Jersey OBCs (overburdened communities) and SMWVBES (small, minority, women, and veteran business enterprises):

- LLW will provide unconditional guarantees for (a) minimum contracting targets, supply chain development, and workforce training expenditures with New Jersey SMWVBES, (b) hiring targets for state residents of OBCs, and (c) community benefits to OBCs, as provided in Table 1, below, in nominal dollars. The guarantees are differentiated by project phase (the rows of Table 1) and benefit category (the columns of Table 1). As previously stated, LLW will commit to making these guarantees public. The total expenditures with OBCs and SMWVBES are expected to total **\$197.9 Million**, **\$206.6 Million**, and **\$299.3 Million** for the [REDACTED] bid alternatives, respectively. These totals amount to 19.0%, 18.5%, and 17.5% of the expected total guaranteed minimum in-state expenditures for each bid alternative.
- LLW will report progress and results of the OBC and SMWVBE benefit commitments on the same reporting schedule as those to be determined by the BPU for the unconditional guarantees for the in-State expenditures and jobs commitments as provided in our Application Forms.
- LLW proposes that any spending or job creation shortfalls (as determined by the BPU) pertaining to the aforementioned OBC- and SMWVBE-related commitments by phase will be compensated with additional

contributions to the LLW New Jersey offshore wind workforce training and supply chain development programs as described in our Economic Development Plan with an emphasis on the categories determined to have shortfalls.

- For spending shortfalls, the compensation will be equal to 100% of the shortfall as determined by the BPU resulting in dollar-for-dollar compensation as additional contributions to the LLW New Jersey offshore wind workforce training and supply chain development programs.
- For job creation shortfalls, the compensation will be equal to \$2,500 per FTE-year shortfall, matching the job creation compensation mechanism as described above.



For avoidance of any doubt, the guaranteed minimum in-state expenditures and job creation that benefit New Jersey OBCs and SMWVBEs are a part of the guaranteed minimum in-state expenditures and job creation commitments included in the Economic Impact tabs of the submitted Application Forms and do not constitute new in-state expenditures or jobs in addition to the submitted commitments.

### **energyRe Capital Raise**

energyRe's capital raise was previously addressed with the NJBPU in prior correspondence and in our November 8, 2023 interview. As a follow-up, we would like to notify the BPU that on December 4, 2023, energyRe announced that it has raised a \$1.2 billion capital package to support the expansion of its large-scale renewable energy portfolio, including offshore wind.

The raise includes a committed capital investment and synergistic partnership with [Elia Group](#). The European transmission specialist will offer all its expertise and experience in the development, construction, operation and maintenance of offshore transmission infrastructure, HVDC technology, transmission planning, and congestion management. The capital package also includes investments from leading renewable energy infrastructure investor [Glentra Capital](#) alongside co-investors [Novo Holdings](#) and [PKA](#).

energyRe will leverage these strategic investments to advance Leading Light Wind and support its U.S. development pipeline.

Associated press releases are as follows:

- [energyRe](#)
- [Elia Group](#)
- [Glentra Capital](#)

### **Leading Light Wind Labor Support**

As discussed in our initial Application and memorialized in our Memorandum of Understanding (MOU) with five New Jersey unions, LLW is committed to New Jersey union labor. In further support of this commitment, please see Attachment A for a Letter of Support for LLW from the Eastern Atlantic States Regional Council of Carpenters.





# **Attachment A**

**Eastern Atlantic States**

**Regional Council of**

**Carpenters Letter of Support**





## Eastern Atlantic States

REGIONAL COUNCIL OF CARPENTERS

650 Ridge Road, Suite 200, Pittsburgh, PA 15205 | Phone: 412-922-6200 | EASCARPENTERS.ORG

November 27, 2023

New Jersey Board of Public Utilities  
44 S Clinton Ave,  
Trenton, NJ 08625

Re: Letter of Support

Dear NJ BPU Commissioners,

I am writing in support of the Leading Light Wind project, which recently submitted their proposal to the New Jersey Board of Public Utilities Third Solicitation to secure Offshore Wind Renewable Energy Certificates. I serve as the Executive Secretary-Treasurer of the Eastern Atlantic States Regional Council of Carpenters (EASRCC), which represents more than 41,000 union members which live and work in New Jersey, Pennsylvania, Delaware, Virginia, West Virginia, and the District of Columbia. Our members come from numerous trade groups, including commercial and residential carpenters, heavy highway workers, piledrivers, commercial divers, floor layers, cabinet millwrights, and more.

The Leading Light Wind project is the only American-led offshore wind project in the New York Bight seeking a power contract with New Jersey. The project's unique investor group – which includes Ullico, the nation's only union-owned investment company – brings together the labor community and the renewable energy industry. Leading Light Wind is a partnership between lead developer Invenergy, the largest privately held global developer, owner and operator of sustainable energy solutions, and co-developer energyRe.

In addition to having a strong development team, the Leading Light Wind project has another valuable attribute its distance from shore. The project will be located more than 40 miles from the New Jersey coastline and the turbines are not expected to be visible from the New Jersey shore, a key project characteristic that resonates with coastal stakeholders. With an ocean lease area of approximately 84,000 acres, Leading Light Wind will generate more than 2,400 MW of power, enough to supply over one million New Jersey homes.

Invenergy and energyRe have a proven track record of building clean energy projects in a responsible way, and are aligning with partners in labor (as evidenced by the memorandum of understanding signed by Leading Light Wind, EASRCC and other key New Jersey building trade unions) to foster green jobs and to build a pipeline of skilled union workers to support the growing offshore wind industry. The Leading Light Wind project represents a transformational opportunity to move towards a greener New Jersey while creating investments and workforce opportunities in some of our most vulnerable communities.

With a uniquely experienced American-led team, a commitment to maximizing economic benefits in New Jersey, and dedication to being an active community partner and leader for responsible development, Leading Light Wind is a crucial project for our region and has our full support. Should you have any questions or wish to discuss the matter further please feel free to contact me via telephone at (609) 226-7648 or via email at [bsproule@eascarpenters.org](mailto:bsproule@eascarpenters.org). Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "William C. Sproule".

William Sproule  
Executive Secretary Treasurer  
Eastern Atlantic States Regional Council of Carpenters

WCS:msl