



Leading Light
Wind

Leading Light Wind

Responses to September 01, 2023 questions from the NJBPU



Prepared By

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Origination

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Introduction

Dear Mr. Ferris and NJBPU Staff,

This document contains written responses to the BPU's September 1, 2023 list of clarification questions related to our bid into New Jersey's 3rd offshore wind solicitation. In addition to this response document, we have uploaded supporting files to the Levitan & Associates Sharefile site, including the requested [REDACTED].

As requested, we have revised the Application Forms as follows:

- [REDACTED]
- [REDACTED]

For [REDACTED], we have also [REDACTED].

- [REDACTED]
- [REDACTED]

Leading Light Wind believes that the responses herein fully cover the clarification questions. However, should additional information be needed related to these topics or any others, please advise and we will respond promptly. Thank you for your consideration of the Leading Light Wind proposal.

Best Regards,
The Leading Light Wind Project Team

Responses to NJBPU September 01, 2023 questions

NJBPU Question 1

Section 8.2: Regarding the statement: [REDACTED]

Please clarify whether the [REDACTED] would:

1. Increase expected costs for the Project, and if so, by how much?
2. Result in a delayed schedule of [REDACTED]? If yes, how long is the anticipated delay and what mitigation measures might be implemented to reasonably minimize the anticipated delay?
3. Expose Invenergy Wind Offshore to other project development risks adversely affecting [REDACTED]? If yes, what are such development risks, and what corresponding mitigation measures might be implemented to reasonably minimize each such development risk?

Question 1 Response

1. A [REDACTED] may result in increased costs as compared to [REDACTED]. These costs would primarily be associated with:

- [REDACTED], which would become solely the [REDACTED].
- [REDACTED], which may be [REDACTED].
- [REDACTED] due to [REDACTED] between the [REDACTED] and the [REDACTED].

Definitively quantifying the cost impacts associated with [REDACTED] is difficult at this time, as it would involve [REDACTED].

We currently believe that the option that is best aligned with the priorities of the BPU is to [REDACTED].

2. There will be schedule inefficiencies associated with [REDACTED]. However, there is flexibility in the overall project schedule to accommodate the longer duration. The overall project schedule will be mitigated by starting [REDACTED] earlier, such that the activity ends at the same time whether [REDACTED].
3. There are unique development risks associated with [REDACTED]. It is relevant to note that LLW's scope of work is notably different if the [REDACTED]. Most importantly, [REDACTED].

The additional development risks we have identified [REDACTED] include:

- Upgrades of the [REDACTED] to meet the required specifications [REDACTED]. Mitigants include performing a detailed survey of the existing infrastructure and completing a detailed design.
- Pre-existing [REDACTED] infrastructure associated with the [REDACTED]. Mitigants include performing a detailed site survey of existing [REDACTED] infrastructure.
- Potential for [REDACTED] associated with [REDACTED]. Mitigants include performing a [REDACTED].
- Cost of [REDACTED]. This risk will be addressed during [REDACTED].

NJBPU Question 2

Section 8.2: Regarding the base case of the [REDACTED] facility, there appears to be a gap of approximately [REDACTED] and the subsequent representation that [REDACTED]

1. Please explain or otherwise reconcile this gap, including clarification of the specific number of anticipated jobs during each of the [REDACTED], along with an annual FTE-years calculation for those jobs.
2. Are indirect and induced jobs included in the [REDACTED] figure?
3. If yes, please provide a breakdown of the FTE-years that are indirect and induced.

Question 2 Response

Approximately [REDACTED] employees (rounded up to [REDACTED] “direct jobs” in the narrative) will be employed at the [REDACTED] facility to support the day-to-day operations. **Table 1** outlines the direct, indirect, and induced labor force impacts that the operation phase of the facility is anticipated to generate. The facility is assumed to operate for a minimum of [REDACTED], which aligns with the [REDACTED]. In the first year, the facility operations are expected to create a total of [REDACTED] including direct, indirect, and induced labor force impacts. Assuming each job is equal to [REDACTED] the facility will add [REDACTED] of workforce opportunities throughout its [REDACTED] lifecycle.

Table 1: [REDACTED]: Economic impacts of operations [REDACTED]

Impact type	Jobs supported	FTE-years
Direct	[REDACTED]	[REDACTED]
Indirect	[REDACTED]	[REDACTED]
Induced	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

NJBPU Question 3

Section 8.2: Regarding the statement: [REDACTED]

1. Please provide additional information about how Invernergy Wind Offshore would be able to incorporate [REDACTED] and at least one [REDACTED] into the Project.
 - 1.1. Has Invernergy Wind Offshore had any communications with [REDACTED] to discuss incorporating [REDACTED] into the Project? If so, please identify the [REDACTED].
 - 1.2. Would the [REDACTED] used in [REDACTED] be sourced [REDACTED]?
2. What assumptions have been made about NJWP logistics to accommodate the [REDACTED] efforts?

Question 3 Response

1. In response to Question 1.1, yes, we maintain close relationships with all [REDACTED] suppliers, including [REDACTED], to stay abreast of their [REDACTED] plans. The [REDACTED] we are engaged with include [REDACTED]. More information regarding our approach to [REDACTED] can be found in [REDACTED] of the proposal narrative. Some of the details of our engagement with the [REDACTED] are protected under Non-Disclosure Agreements (NDAs) that are in place to protect their commercially sensitive information.

In addition to the protected confidential information, there are a number of publicly available plans related to [REDACTED] that serve as a baseline for our assessment that [REDACTED] will be available to the project.

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

We would also like to highlight Leading Light Wind parent Invenergy's track record of successfully entering into [REDACTED] agreements with [REDACTED], as evidenced by the [REDACTED]

While we cannot share details that are protected by NDA, we can say that the nature of the confidential conversations with [REDACTED] revolve around the [REDACTED]. While we noted in Section [REDACTED] that the status of securing [REDACTED] is less certain than other project components, we nonetheless would not have mentioned it in our proposal without having [REDACTED].

In response to Question 1.2, the sourcing strategy for [REDACTED] will vary [REDACTED] and may be sourced [REDACTED] depending on [REDACTED] sourcing strategies.

2. We are unsure of specifically what [REDACTED] are being referred to. Leading Light Wind has proposed [REDACTED]. The assumptions we have made to accommodate the [REDACTED] are based upon [REDACTED]. Specifically, Leading Light Wind assumes [REDACTED] will contract [REDACTED]. At this time, Leading Light Wind is not assuming that costs associated with the procurement and provision of [REDACTED] will be covered by the [REDACTED], although [REDACTED] has indicated [REDACTED] that this is a possibility.

NJBPU Question 4

Section 8.6, Tables 8-11, 8-12, 8-13: Please provide an explanation of why the guaranteed operation spend [REDACTED] years 6-10 than for years 1-5.

Question 4 Response

Following operation years 1-5, [REDACTED], there is an [REDACTED], but this is accompanied by a [REDACTED] reflecting the [REDACTED] during the operations period. As shown in Table 2, which corresponds to Table 8-11 in our proposal document, the difference between the flow of

_____ accounts for the _____ in operation spend between years 1-5 and years 6-10.

Table 2: Operations Years 1-10, _____ (nominal dollars)

Operations Year	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
Total Yrs. 1-5	
Total Yrs. 6-10	
Difference	

NJBPU Question 5

Section 8.6, Tables 8-17, 8-18, 8-19, 8-24, 8-25, 8-26, 8-27, 8-28 and 8-29: For each of the following, please clarify whether Invenergy Wind Offshore’s _____ treated the economic impact as direct, indirect, induced, or outside the scope of the analysis:

1. **Relating to the Project:**
 - 1.1. *Spending and employment by contractors or consultants (a law firm, a construction firm, a vessel maintenance firm, etc.) hired by Invenergy Wind Offshore related to its Project.*
 - 1.2. *Does whether the economic impact is treated as direct, indirect, induced, or outside the scope of the analysis depend on the category of spending, Invenergy Wind Offshore’s control over the spending or other factors?*
2. **Relating to a Tier 1 facility’s development and construction:**
 - 2.1. *Spending and employment to develop and construct the facility resulting from Invenergy Wind Offshore’s Project’s investment in the facility.*
 - 2.2. *Spending and employment to develop and construct the facility resulting from another Qualified Project’s investment in the facility.*
 - 2.3. *Other spending and employment to develop and construct the facility.*
3. **Relating to a Tier 1 facility’s operation:**
 - 3.1. *Spending and employment by the facility to fulfill an order placed by Invenergy Wind Offshore’s Project.*
 - 3.2. *Spending and employment by the facility to fulfill an order placed by another Qualified Project.*
 - 3.3. *Spending and employment by the facility to fulfill an order placed by a project outside of this solicitation.*
4. **Relating to a Tier 2 facility’s development and construction:**
 - 4.1. *Spending and employment to develop and construct the facility resulting from Invenergy Wind Offshore’s Project’s investment in the facility.*
 - 4.2. *Spending and employment to develop and construct the facility resulting from another Qualified Project’s investment in the facility.*
 - 4.3. *Other spending and employment to develop and construct the facility.*
5. **Relating to a Tier 2 facility’s operation:**

- 5.1. Spending and employment by the facility to fulfill an order placed by Invenergy Wind Offshore's Project.**
- 5.2. Spending and employment by the facility to fulfill an order placed by another Qualified Project.**
- 5.3. Spending and employment by the facility to fulfill an order placed by a project outside of this solicitation.**

Question 5 Response

The following clarification applies for sub-questions 1.1, 2.1, and 3.1:

- Section 8.6, Tables 8-17, 8-18, 8-19, 8-26, and 8-29 refer to direct, indirect, and induced impacts, as indicated in the tables.
- Section 8.6, Tables 8-24, 8-25, 8-27, and 8-28 refer to direct impacts only.

The following clarification applies for sub-questions 2.2, 2.3, 3.2, 3.3, 4.1, 4.2, 4.3, 5.1, 5.2, and 5.3:

- The sub-questions are outside the scope of the analysis.

Regarding Question 1.2, [REDACTED] are treated as direct economic impacts as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

NJBPU Question 6

Section 8.6, Tables 8-17, 8-18, 8-19, 8-24, 8-25, 8-26, 8-27, 8-28 and 8-29:

1. Please clarify whether Invenergy Wind Offshore's [REDACTED] [REDACTED] used the unmodified total spend, labor spend, and job-year values provided by vendors. If not, identify any modifications made to the unmodified total spend, labor spend, and job-year values provided by vendors to arrive at the values that were used in [REDACTED].
2. Does Invenergy Wind Offshore use the guaranteed total spend and job-year values or some other set of values as inputs to [REDACTED]?

3. Other than converting from [REDACTED] definition of an FTE-year [REDACTED], are the values presented in these tables modified from the outputs from [REDACTED]? If yes, please identify any modifications made to the [REDACTED] outputs to arrive at the values in these tables.

Question 6 Response

[REDACTED]

[REDACTED]

[REDACTED]

NJBPU Question 7

Section 8.7: Please explain the proposed method, and if applicable the associated formula, for determining “an appropriate annual discount rate” for calculating the NPV of expected annual OREC revenues in order to calculate the reduction in the OREC price to compensate for 90% of any shortfall in guaranteed development and construction phase in-State spending. Please provide any available estimates of the discount rate.

Question 7 Response

[REDACTED]

NJBPU Question 8

Section 8.7: Regarding the statement: [REDACTED]

1. Please define the terms that are used to calculate the spending shortfall in the phrase [REDACTED]. Please provide a numerical example of the equation(s).

2. Please define the terms described in the remainder of the sentence that are used in equations to calculate the number of FTE-years by phase to which the [REDACTED] is applied. Please provide a numerical example of the equations.
3. Please explain why Invenergy Wind Offshore contends that the [REDACTED] commitment is sufficient to [REDACTED] as required by the SGD at page 29?
4. Please clarify whether an escalation rate will be applied to adjust the nominal [REDACTED] value from an initial base year. If yes, please specify the fixed annual escalation rate or index that will be used.

Question 8 Response

1. [REDACTED] An example is provided in Table 8-11 in Section 8.6, a portion of which is copied below in Table 3, columns 1-4. [REDACTED]

Table 3: [REDACTED]

1	2	3	4	5	6
Phase	Total expenditures (\$Million)	Jobs (FTE-years)	Labor expenditures (\$Million)	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

2. Using the example in Table 8-11, [REDACTED]
3. Through our close association with supply chain and workforce development partners as described in Sections 8 & 9 indicates that [REDACTED]
4. Yes, an annual escalation rate [REDACTED] will be applied to adjust the nominal [REDACTED] from [REDACTED].

NJBPU Question 9

Section 13.2 and Section 13.3: Please provide GIS shapefiles associated with your export cable route(s), including onshore and offshore, as shown in Figure 13-1 and Figure 13-8.

Question 9 Response

The GIS shapefiles of the submarine and onshore cable routes shown in Figure 13-1 and Figure 13-8 have been uploaded to the Levitan & Associates Sharefile site as “CONFIDENTIAL_Figure 13-1 Shapefiles” and “CONFIDENTIAL_Figure 13-8 Shapefiles”. The routes provided in the Shapefiles will likely show different colors than are shown in the maps in the proposal document. Unfortunately, the file type does not allow us to preserve the color scheme used to create the maps in the proposal document.

NJBPU Question 10

Section 13.3: Invenergy Wind Offshore states that [REDACTED]

1. **What** [REDACTED] **?**
2. **Are there other** [REDACTED] **?**
3. **Are there any design optimizations that can be implemented so that** [REDACTED] **? If not, please explain why not.**
4. **If so, can these optimizations achieve** [REDACTED] **?**
5. **If not, what is the maximum** [REDACTED] **?**

Question 10 Response

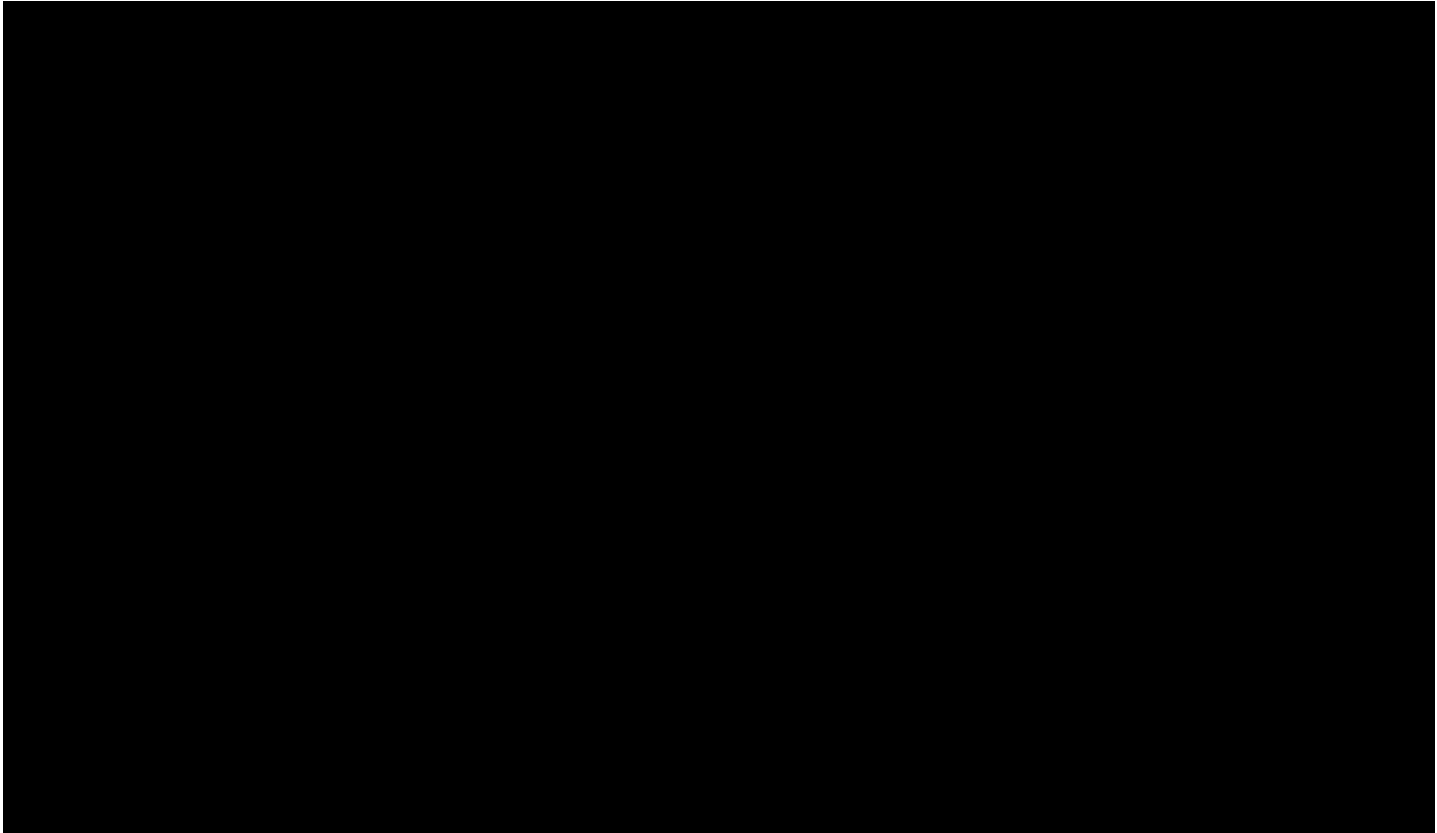
1. Leading Light Wind’s lead developer, Invenergy, has extensive HVDC transmission development experience. It is utilizing this experience that we have proposed what we believe to be the most technically feasible and economically beneficial solution for New Jersey.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[Redacted text block]

[Redacted text block]

- [Redacted list item]

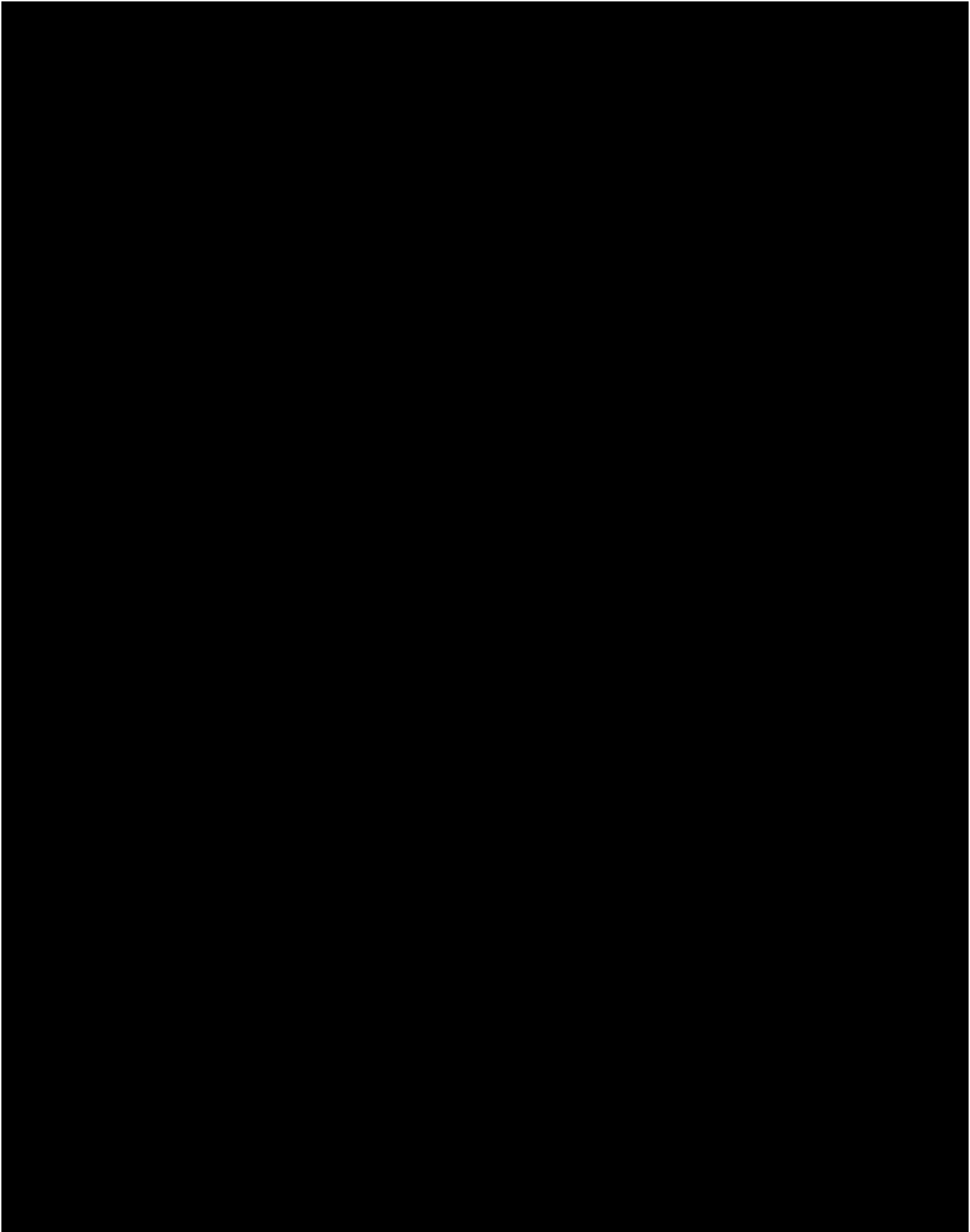
- [Redacted list item]

- [Redacted]
2. [Redacted]
3. [Redacted]
- [Redacted]
4. [Redacted]
5. [Redacted]

[Redacted text block]

[Redacted text block]

[Redacted text block]



NJBPU Question 11

Bills-of-Goods-Project and Bills-of-Goods-Prebuild worksheets: Please provide revised versions of these worksheets that are consistent with the guidance below.

- 1. Data must be provided for all four phases of the Project. Data must also be provided for all four phases of the Prebuild, unless Invenergy Wind Offshore does not intend to decommission the Prebuild, in which case the decommissioning phase for the Prebuild can be left blank and the intention not to decommission the Prebuild should be stated in the CQ responses.**
- 2. Invenergy Wind Offshore cannot provide identical Bills-of-Goods for both the Project and the Prebuild. The Prebuild Bills-of-Goods appear to also include the Project spending and jobs for each phase. The Project and Prebuild Bills-of-Goods should not double-count spending or jobs.**
- 3. Only direct spending and jobs values associated with the Project and Prebuild can be entered on these worksheets.**
- 4. The data provided should be consistent with the guarantees provided on the Economic Impacts-Project and Economic Impacts-Prebuild worksheets, and not the expected values, unless the guaranteed and expected values are the same. As per the instructions on the respective worksheets, monetary values in the Bills-of-Goods worksheets should be expressed in real 2023 dollars while the monetary guarantees provided on the Economic Impacts worksheets that will be used for auditing purposes should be expressed in nominal dollars.**
- 5. Every line item must have a valid North American Industry Classification System (“NAICS”) code associated with it. All 2022 NAICS codes provided must be full 6-digit codes. For example, 541000 is not a full 6-digit NAICS code, but 541110 is. Invenergy Wind Offshore should retrieve codes directly from the U.S. Bureau of Labor Statistics at this URL:
https://data.bls.gov/cew/apps/bls_naics/v3/bls_naics_app.htm#tab=hierarchy&naics=2022&hier=default**
- 6. Invenergy Wind Offshore should treat the spending and jobs associated with the development and construction or expansion of Tier 1 facilities as direct, and include them on the relevant worksheet, regardless of whether it intends to make purchases from the Tier 1 facility for its Project. If Invenergy Wind Offshore is not funding the full cost of the development and construction or expansion of a Tier 1 facility, then the actual (not full) amount that it will contribute should be entered for the in-State cost, and its pro-rata (based on its share of the total cost) share of labor time and labor cost should be entered. If Invenergy Wind Offshore is making only a partial investment in the development and construction or expansion of a Tier 1 facility, it cannot claim credit for the full value of the facility and all job-years created to develop and construct or expand such facility. For each Tier 1 facility, please clearly identify any and all line items related to the development and construction or expansion of the facility. These line items should not contain spending unrelated to the Tier 1 facility, or spending related to an order each Project option will place at the Tier 1 facility.**
- 7. Invenergy Wind Offshore should treat the spending and jobs associated with orders placed at Tier 1 facilities as direct, and include them on the relevant worksheet, regardless of whether it intends to contribute to the development and construction or expansion of the Tier 1 facility. Invenergy Wind Offshore can only claim credit for the cost of its order, and the direct labor time and labor spending that will be created by the Tier 1 facility to fulfill its order. Invenergy Wind Offshore cannot claim credit for spending or labor time associated with the facility’s fulfillment of orders placed by other projects, whether they are Qualified Projects or awarded in response to other states’ solicitations. For each Tier 1 facility, please clearly identify any and all line items related to the Project’s order placed at the facility. These line items should not contain spending unrelated to the Tier 1 facility, or spending related to the development and construction or expansion of the facility.**
- 8. Invenergy Wind Offshore cannot enter line items on these worksheets related to Tier 2 facilities. If Invenergy Wind Offshore is making a direct investment in a Tier 2 facility through its investment in a Tier 1 facility, then the investment in the Tier 2 facility should be reported as an increase in the Invenergy Wind Offshore’s investment in the Tier 1 facility and reported as a separate line item on the relevant worksheet. For each such line item, please provide documentation that supports Invenergy Wind**

Offshore's claim that the investment in the Tier 2 facility through a Tier 1 facility should be treated as direct.

9. *For the separate Application Forms, Invenergy Wind Offshore should include an identical set of line items on these worksheets, and insert zeros for the in-state cost, labor time, labor cost and percent share of cost and labor by calendar year of line items that are not applicable to a particular version of the Project.*

Question 11 Response

1. [REDACTED]
2. Application Forms including revised Bill-of-Goods-Project and Bill-of-Goods-Prebuild worksheets have been provided with separated values that do not double-count.
3. The Bill-of-Goods-Project and Bill-of-Goods-Prebuild worksheets include only direct spending and jobs values.
4. The data provided in the Bill-of-Goods-Project and Bill-of-Goods-Prebuild worksheets are consistent with the guarantees provided on the Economic Impacts-Project and Economic Impacts-Prebuild worksheets. Application Forms including revised Economic Impacts-Project and Economic Impacts-Prebuild worksheets are provided with the monetary guarantees expressed in nominal dollars.
5. Application Forms including revised Bill-of-Goods-Project and Bill-of-Goods-Prebuild worksheets have been provided including valid 6-digit NAICS codes.
6. [REDACTED]
7. [REDACTED]
8. We have included no items in the Bill-of-Goods-Project and Bill-of-Goods-Prebuild worksheets related to Tier 2 facilities.
9. All Application Forms have been formatted as indicated.

NJBPU Question 12

Bills-of-Goods-Project worksheet: Regarding the entered values:

1. ***The labor time and labor spending values provided for the [REDACTED] line item is equivalent to [REDACTED]. Please provide information to support the reasonableness of these values.***

2. The labor time and labor spending values provided for the [REDACTED] line item are equivalent to [REDACTED]. Please provide information to support the reasonableness of these values.
3. The labor time and labor spending values provided for the [REDACTED] [REDACTED] line items are equivalent to [REDACTED]. Please provide information to support the reasonableness of these values.
4. The labor time and labor spending values provided for the [REDACTED] line items are equivalent to [REDACTED]. Please provide information to support the reasonableness of these values.
5. The labor time and labor spending values provided for the [REDACTED] line items are equivalent to [REDACTED]. Please provide information to support the reasonableness of these values.
6. The labor time and labor spending values provided for the [REDACTED] line items are equivalent to [REDACTED]. Please provide information to support the reasonableness of these values.
7. The labor time and labor spending values provided for the [REDACTED] line items are equivalent to [REDACTED]. Please provide information to support the reasonableness of these values.

Question 12 Response

[REDACTED]

[REDACTED]

Table 4: Bills-of-Goods Project worksheet \$/FTE-year (Nominal)

Line	Description	Labor time (FTE-years)	Labor Cost (\$ Mil), Nominal	\$/FTE-year, Nominal
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

NJBPU Question 13

Bills-of-Goods-Prebuild worksheet: Regarding the entered values:

1. *The labor time and labor spending values provided for the [REDACTED] line items are equivalent to [REDACTED]. Please provide information to support the reasonableness of these values.*
2. *The labor time and labor spending values provided for the [REDACTED] line items are equivalent to [REDACTED]. Please provide information to support the reasonableness of these values.*

Question 13 Response

[REDACTED]

[REDACTED]

Table 5: Bills-of-Goods prebuild worksheet, \$/FTE-year (Nominal)

Line	Description	Labor Time (FTE-years)	Labor Cost (\$ Mil) Nominal	\$/FTE-year Nominal
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

