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January 30, 2024

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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 Fourth Quarter 2023

On October 26, 2022, the New Jersey Board of Public Utilities (“BPU” or “Board”) staff (“Staff”) issued the [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:

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 Oder”).

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.

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, Mid-Atlantic Offshore Development, LLC herein submits its quarterly report for the three months ended on December 31, 2023, which appears on Attachment A hereto.



By:

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² SAA Order, at 71. Regarding the SAA Order’s provision at page 71 providing that MAOD submit an annual written report within 90 days following the anniversary of the SAA Order, NJBPU Staff has advised that a separate annual report in addition to this written report will not be required.

**QUARTERLY REPORT
FOR THE FOURTH 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.

On October 27, 2023, Mid-Atlantic Offshore Development, LLC (“MAOD”), Jersey Central Power & Light Company (“JCP&L”), and PJM Interconnection, L.L.C. (“PJM”) executed an Interconnection Coordination Agreement. Execution of this agreement is a project milestone set forth in Schedule C to MAOD’s Designated Entity Agreement with PJM. The required milestone date pursuant to the DEA was October 31, 2023.

2) Current Permitting and Land Acquisition of the Project

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

In the fourth quarter of 2023, MAOD’s permitting efforts included the following:

- MAOD coordinated with Howell Township regarding MAOD’s plan for geotechnical work to be performed on the project site, including permitting for tree removal.
- MAOD continued its efforts in relation to the cultural resources consultation letter that MAOD submitted to the New Jersey Historic Preservation Office (“NJHPO”) in October 2023, including planning for additional cultural resources studies to be performed pursuant to follow-on work requested by the NJHPO.

- MAOD continued its development efforts with regard to various studies to support the permitting process, including environmental, surveying, 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 fourth quarter of 2023 included the following:

- Engagement of a geotechnical contractor and initiation of geotechnical work on the project site
- Issuance of three (3) requests for proposals (“RFP”) for the following scopes of work:
 - (1) contractor to supply circuit breaker equipment;
 - (2) contractor to supply main power transformer equipment; and
 - (3) contractor to serve as the project’s engineering, procurement, and construction (“EPC”) contractor

The circuit breaker and main power transformer RFPs were separated from the EPC contractor RFP based on long lead times for the applicable equipment and a determination to execute the associated procurement contracts earlier than the EPC contract.

- Continued coordination with JCP&L on interconnection planning work necessary to connect the project to JCP&L’s Larrabee, Smithburg, and Atlantic Substations

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 for the project, and milestone completion percentages.

Milestones				
PJM Baseline Upgrade ID	Execute Interconnection Coordination Agreement: On or before this date, Designated Entity must execute the Interconnection Coordination Agreement or request the agreement be filed unexecuted.	Demonstrate Adequate Project Financing: 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	Acquisition of all necessary federal, state, county, and local site permits: On or before this date, Designated Entity must demonstrate that all required federal, state, county and local site permits have been acquired.	Required Project In- Service Date: 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.
b3737.22	10/31/2023	5/31/2024	3/31/2027	12/31/2027
Milestone Completion (%)	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 December 31, 2023, and current estimates for the scope of work awarded to MAOD by the NJBPU are set forth below.



Project	Current Estimate	CapEx through 12/31/23
Larrabee Collector Station, Including Prebuild Extension Work and AC Collector Lines	\$216 million	\$57.0 million
Prebuild Infrastructure Study	\$290,000	\$266,000

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. QO20100630.³

7) Community Engagement

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

None to report for this quarter.

8) PJM FERC Filing Update

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

On October 27, 2023, MAOD, JCP&L, and PJM fully executed the Interconnection Coordination Agreement for the Project.

As reported in MAOD’s previous quarterly report, 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; (3) 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 adder to MAOD’s base return on equity (ROE) for regional transmission organization (RTO) participation. On November 22, 2023, MAOD filed a supplemental filing to supplement information provided in the Petition. The Petition is pending in FERC Docket No. EL23-101, and the docket can be referenced for comments and responsive filings that have been made in the proceeding.

³ 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.

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

None