

PRELIMINARY PUBLIC COPY



March 27, 2024

Levitan and Associates & New Jersey Board of Public Utilities

Submitted electronically to:

board.secretary@bpu.nj.gov CC to:

offshorewind@levitan.com

osw.stakeholder@bpu.nj.gov

Re: IN THE MATTER OF THE ISSUANCE OF NEW JERSEY'S DRAFT FOURTH SOLICITATION FOR OFFSHORE WIND RENEWABLE ENERGY CERTIFICATES (OREC) - Docket No. QO24020109

Dear Secretary Sherri Golden,

Atlantic Shores Offshore Wind, LLC ("Atlantic Shores"), a 50/50 joint venture between EDF-RE Offshore Development, LLC (a subsidiary of EDF Renewables, Inc.), and Shell New Energies US LLC, currently holds one of the largest portfolios of offshore wind lease areas in the US, adding up to a total of 262,604 acres and an expected capacity potential of over 5 GW ("Portfolio"). Atlantic Shores' Portfolio consists of Lease OCS-A 0499 and Lease OCS-A 0549, which amount to 183,253 acres and host Project 1, a 1,510 MW project awarded an OREC from the New Jersey Board of Public Utilities ("NJBP") in June 2021; and Lease OCS-A 0541, which totals 79,351 acres and was awarded to Atlantic Shores by BOEM pursuant to the ATW 8 Bight Auction.

Atlantic Shores appreciates the opportunity to submit comments on the Fourth Draft Solicitation ("Rd4") Guidance Document ("Draft SGD") for the abovementioned Docket, in accordance with guidance provided in the Notice issued on March 6th, 2024. We look forward to the final Solicitation Guidance Document ("Final SGD") and remain at your disposal for any clarification on the below.

Please note that Atlantic Shores asserts that, as set forth in that certain Substantiation of Confidentiality dated March 27, 2024 and transmitted simultaneously herewith, certain information included in these comments is exempt from disclosure to the public pursuant to the applicable NJBP rules at N.J.A.C. 14:1-12.1 et seq., the New Jersey's Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. Accordingly, both public (redacted) and confidential (unredacted) versions of these comments are being provided to the NJBP.

Sincerely,

Joris Veldhoven,
Chief Executive Officer
Atlantic Shores Offshore Wind, LLC

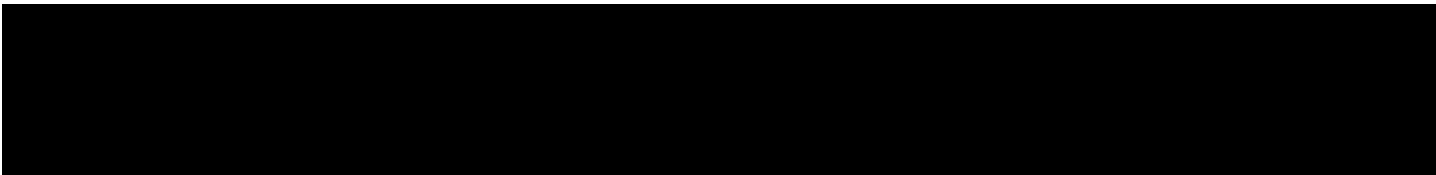
A. Introduction & Overview of the OREC Program

- **Overview of Solicitation:**

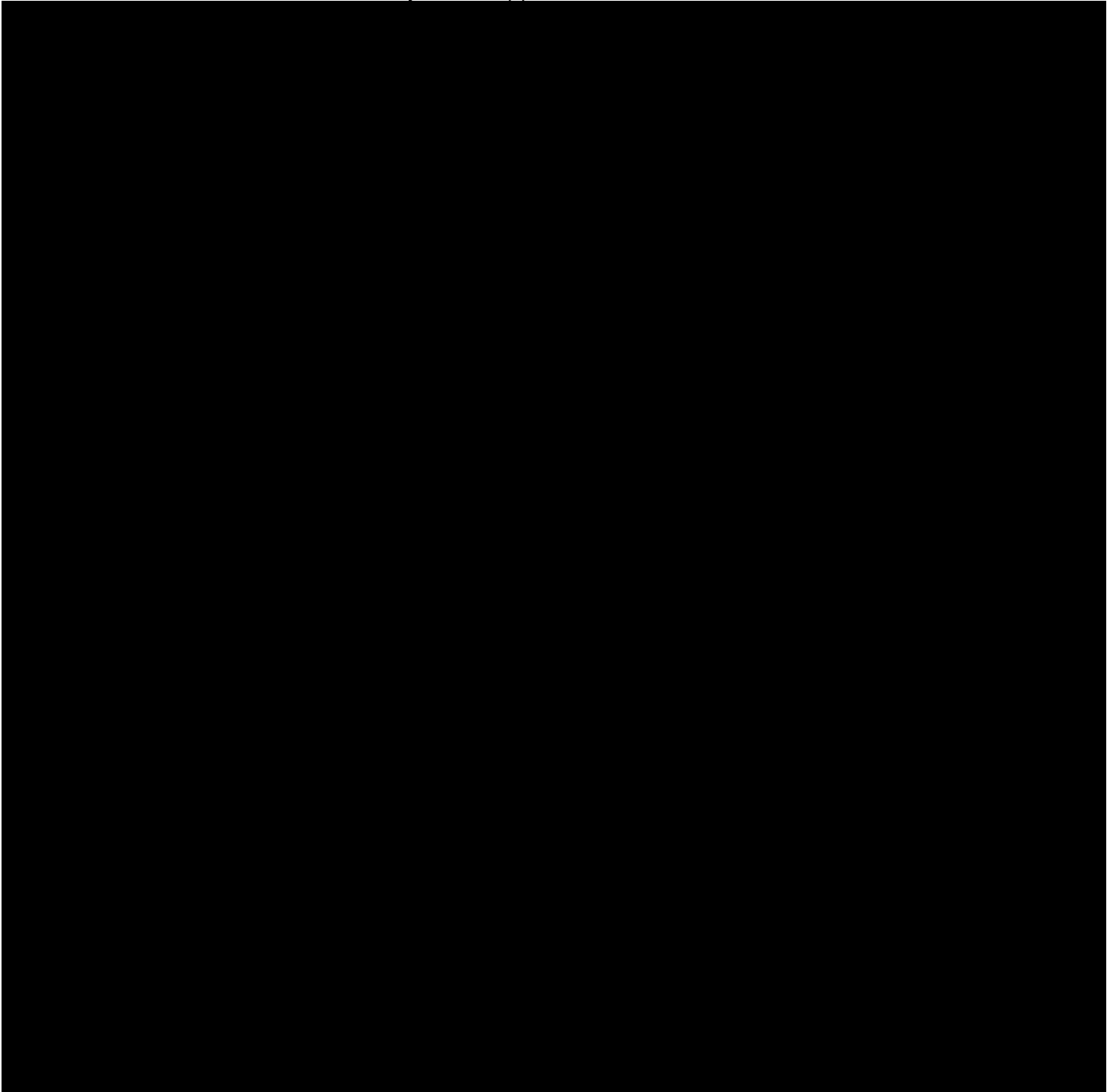
1. The Final SGD should clarify how prior New Jersey OREC awards, coupled with desired capacity ranging up to 4 GW of this solicitation, fit within the 11 GW goal set forth by Governor Murphy. Presently, the NJ BPU has awarded approximately 7.5 GW, leaving 3.5 GW remaining under the 11 GW goal. In designing bid proposals, clarity on how the desired upper limit (4 GW) is permitted under the current regulatory framework will be helpful, including, without limitation, whether the NJ BPU deems any prior awards cancelled and therefore do not count toward the 11 GW goal.

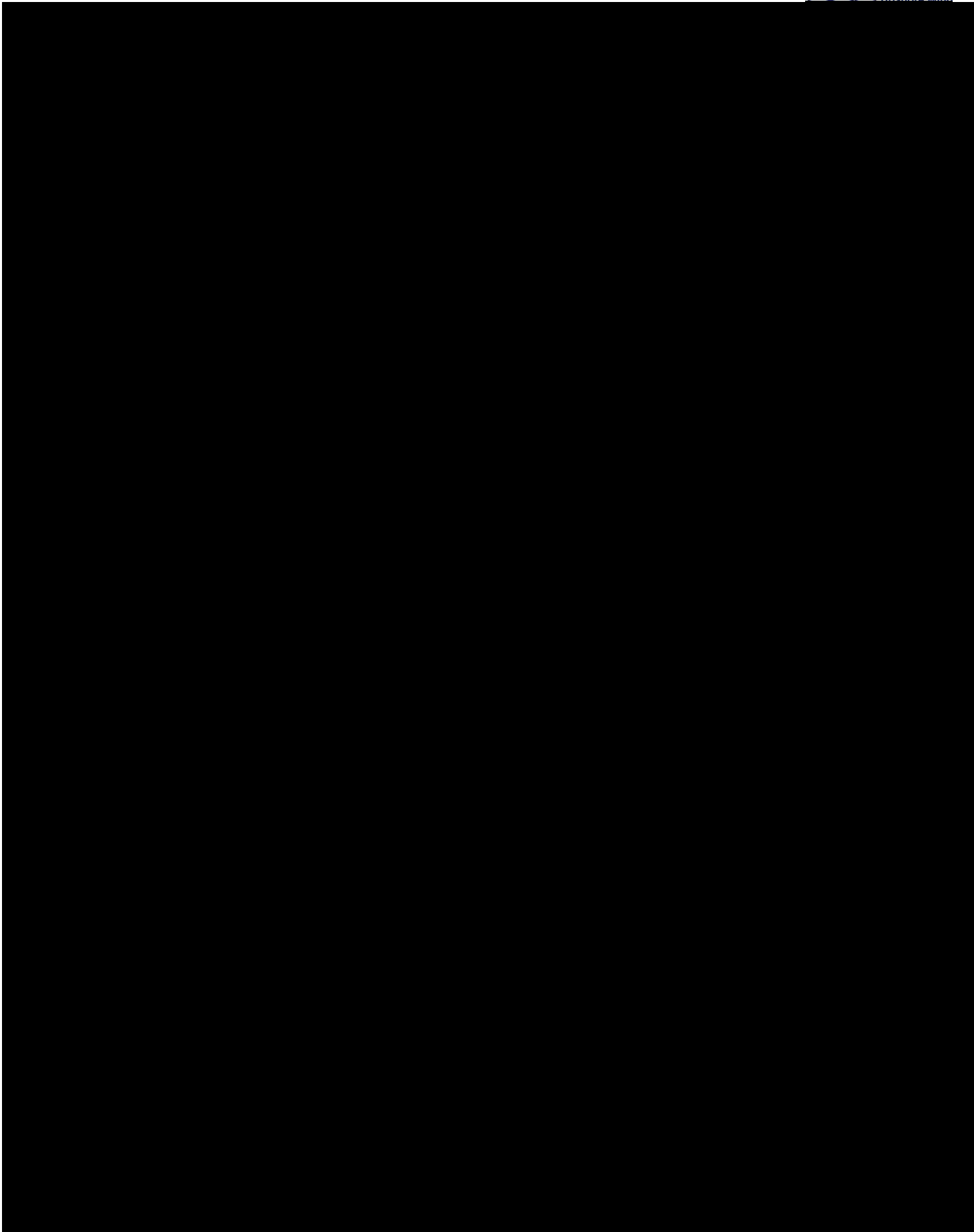
- **Pricing Structure**

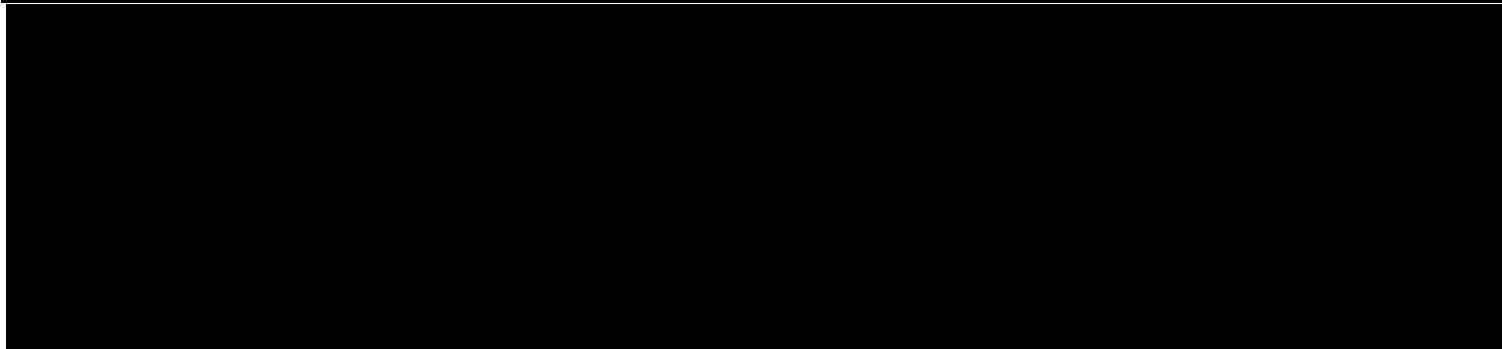
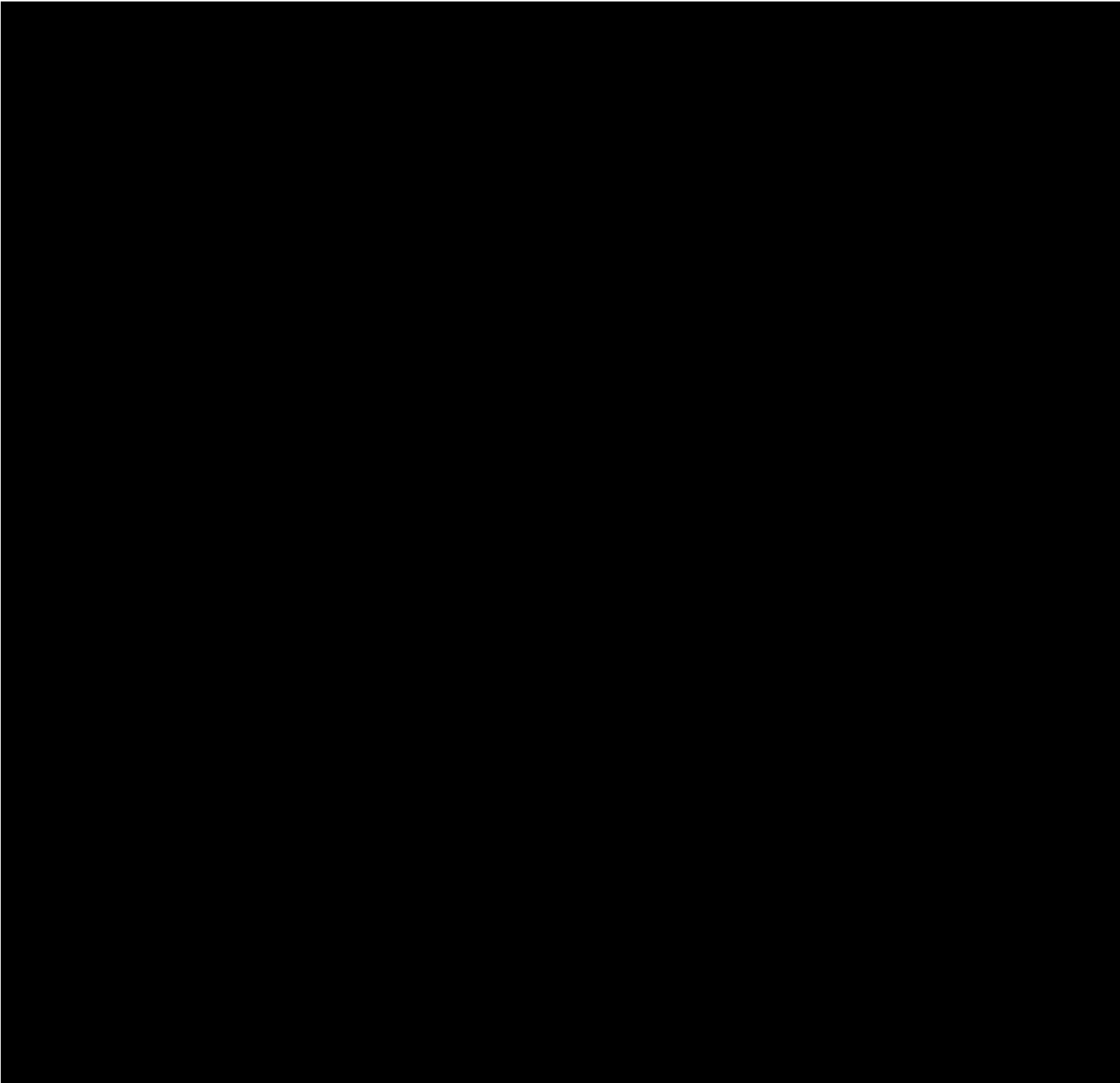
3. (Section 1.3, page 6) *"The value of the wholesale products administered by PJM associated with the ORECs shall not be deducted when calculating the OREC price."* It is understood that the OREC price shall represent the calculation of total revenues (incl. energy, capacity, ancillary services, bilateral agreements) over the term of the OREC period. The Final SGD should clarify specifically which products are included in *"wholesale products administered by PJM"*.

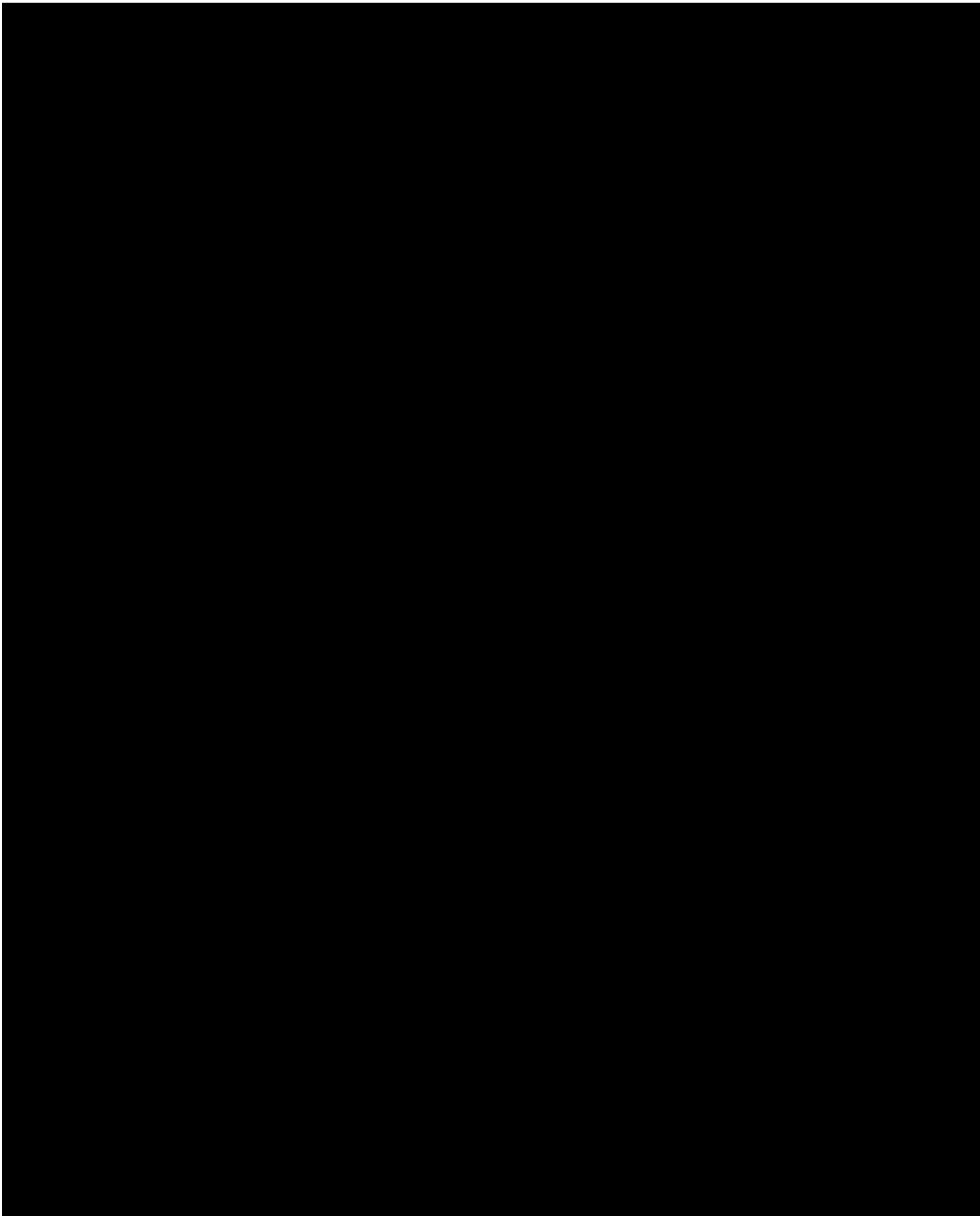


7. (Section 1.3, page 8) The Draft SGD states that developers may retain the tax credits related to an increase in the Project Cost Basis. It appears from the narrative on page 8 that the amount that can be retained is related to the increase in the cost basis; however, Table 3 (in the column labeled "Actual (Example 1)") appears to show that a developer may retain the tax credit amount on the entire cost basis. The Final SGD should clarify which approach the Board intends.





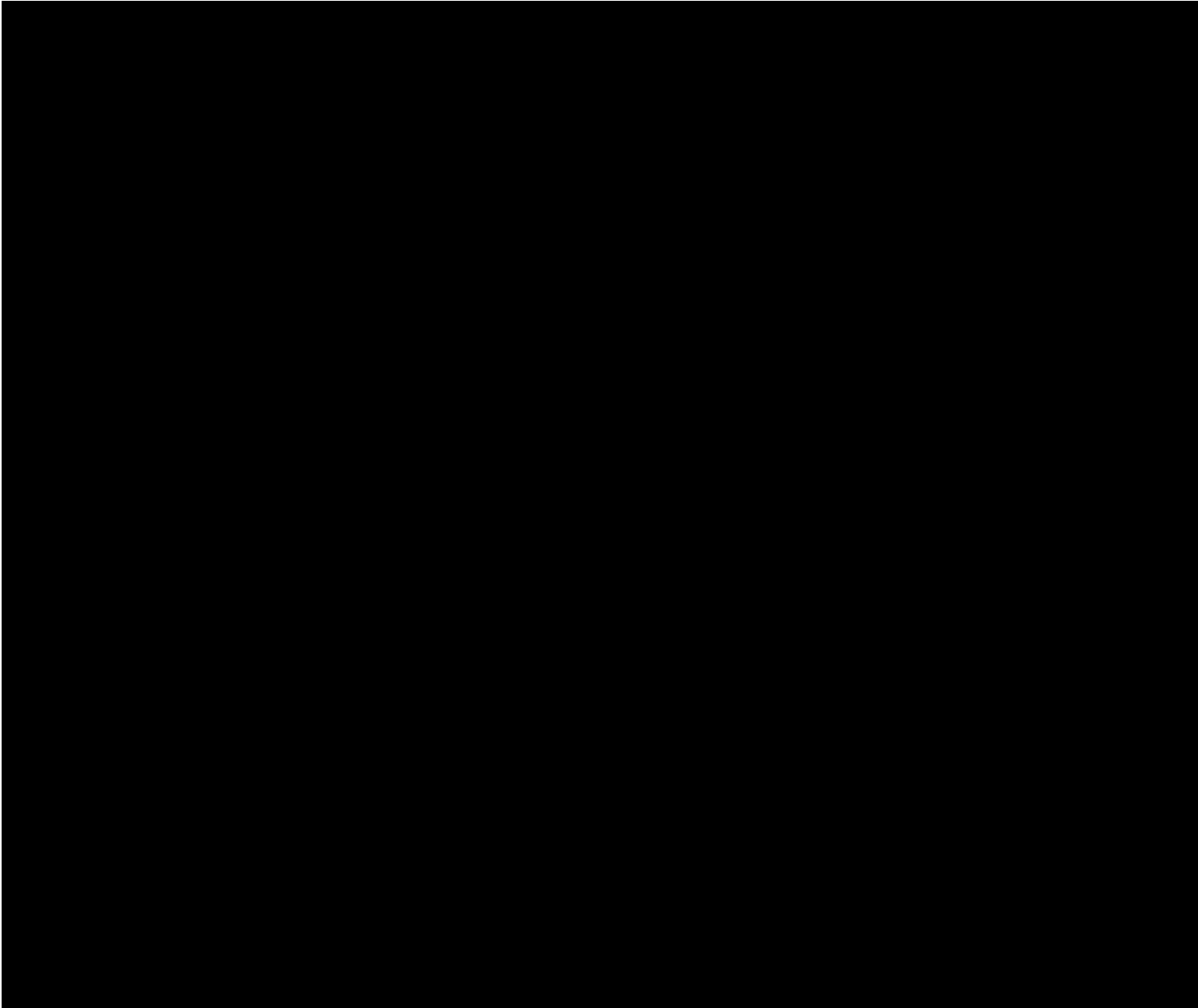


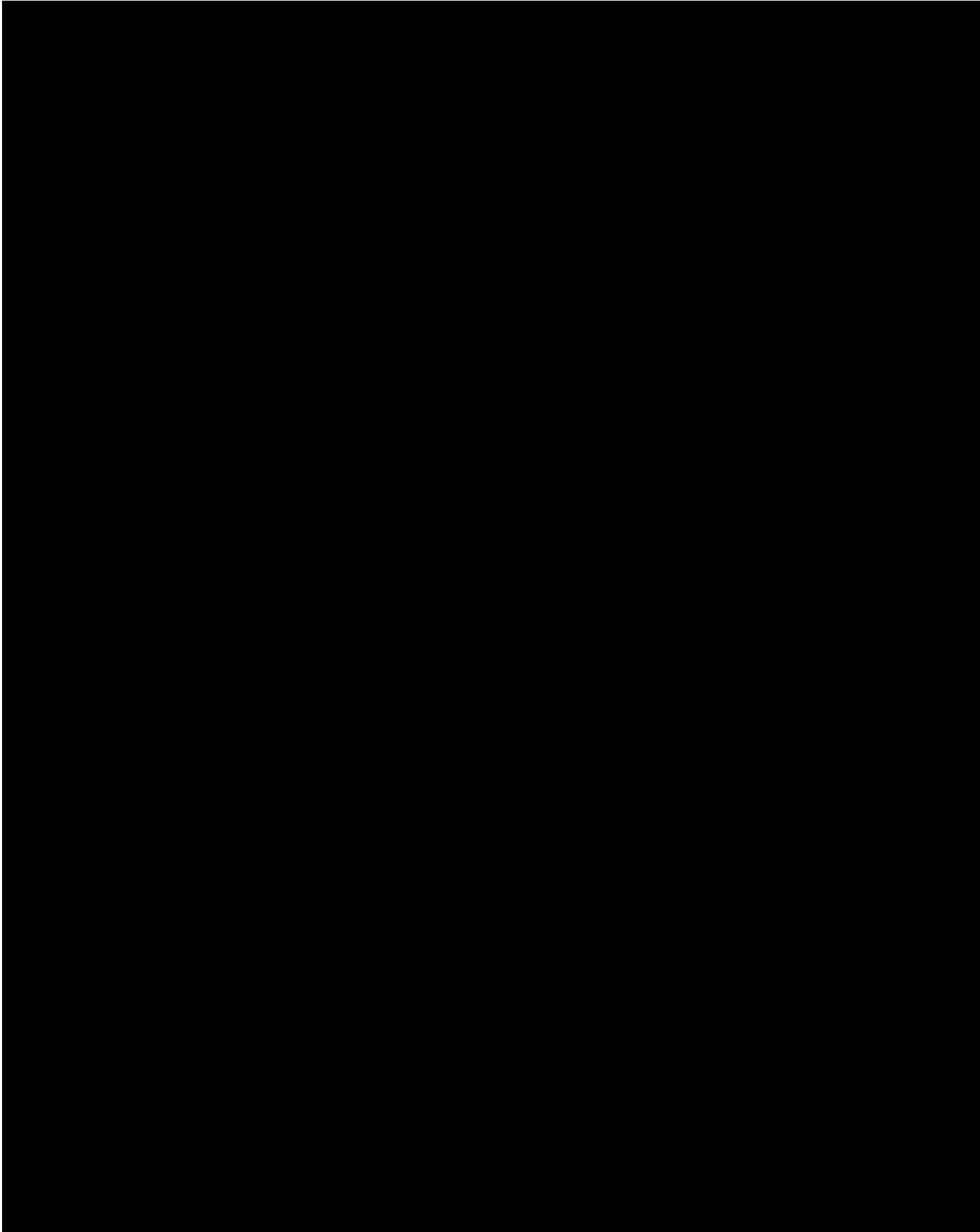




- **Application Submission**

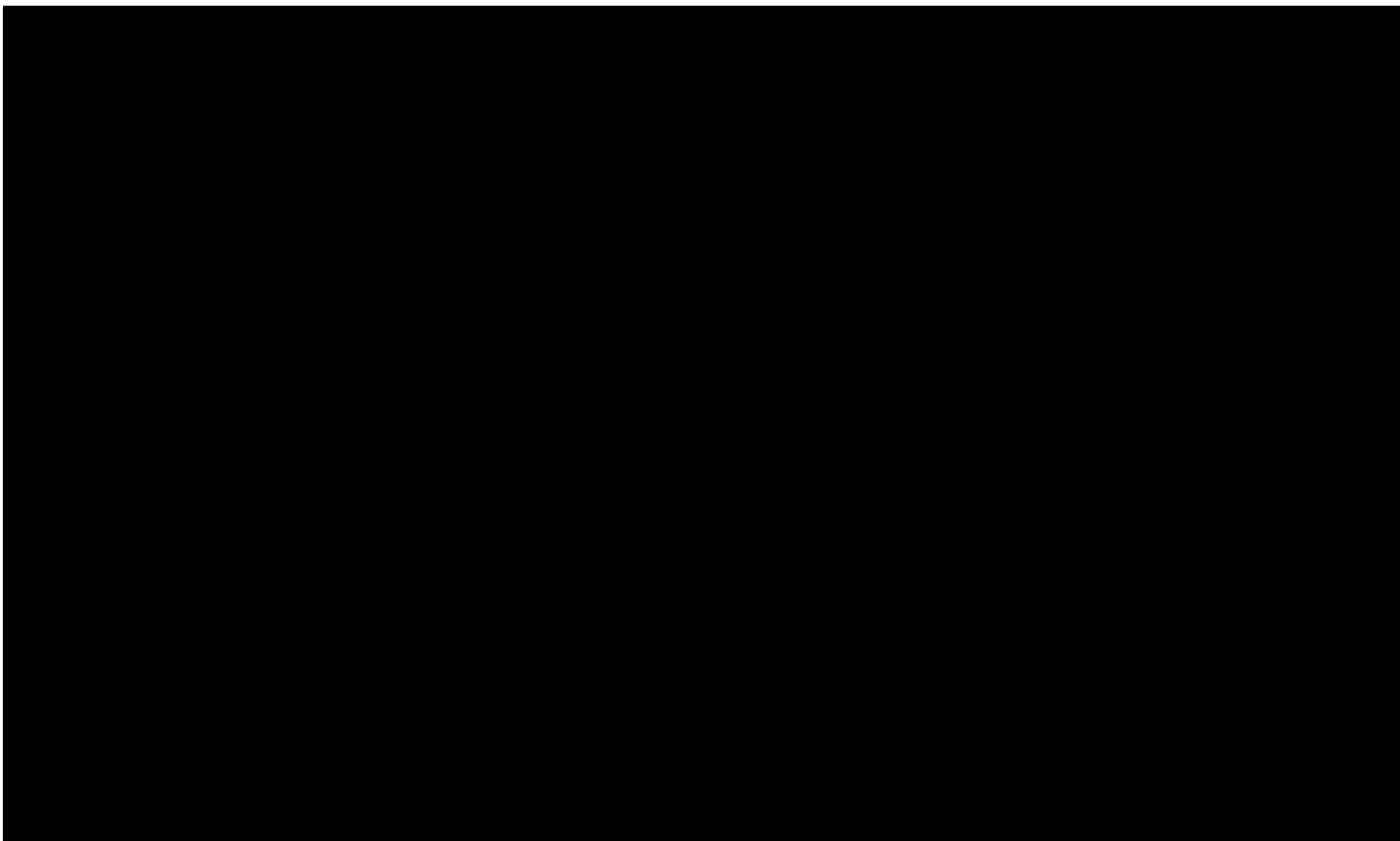
17. (Section 2.3, page 13) *“Files larger than 100 MB should be separated into multiple files and named as noted in Section 2.5 and 3 herein, with “Part [X of Y]” added to the end of the file name for each file.”* Atlantic Shores respectfully requests that the Final SGD allows for the submission of individual, as opposed to consolidated Appendices. For example, Appendix 1 could be submitted as a single file, Appendix 2 as a separate file, etc. and Applicants could provide a list of Appendices for easy reference. This would simplify both the submission process and the evaluation.





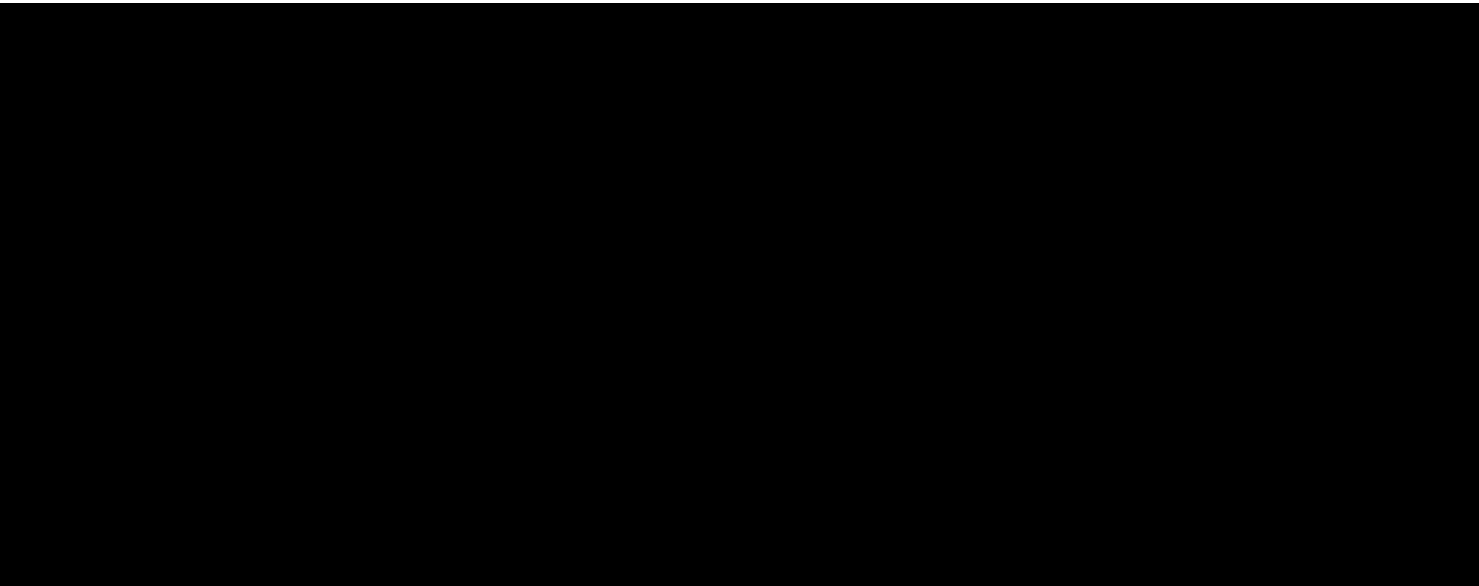
24. Section 2.6, Page 19 states: *“Not less than three months prior to each Critical Milestone, the Qualified Project may petition the Board to extend any of the Critical Milestone dates if, for good cause, the Critical Milestone cannot be achieved by the date specified in the compliance filing. The Qualified Project may request a one-time extension of a Critical Milestone of up to three (3) months upon written notice to Board Staff. Extension of Critical Milestone dates beyond the three-month extension period are subject to Board approval.”*

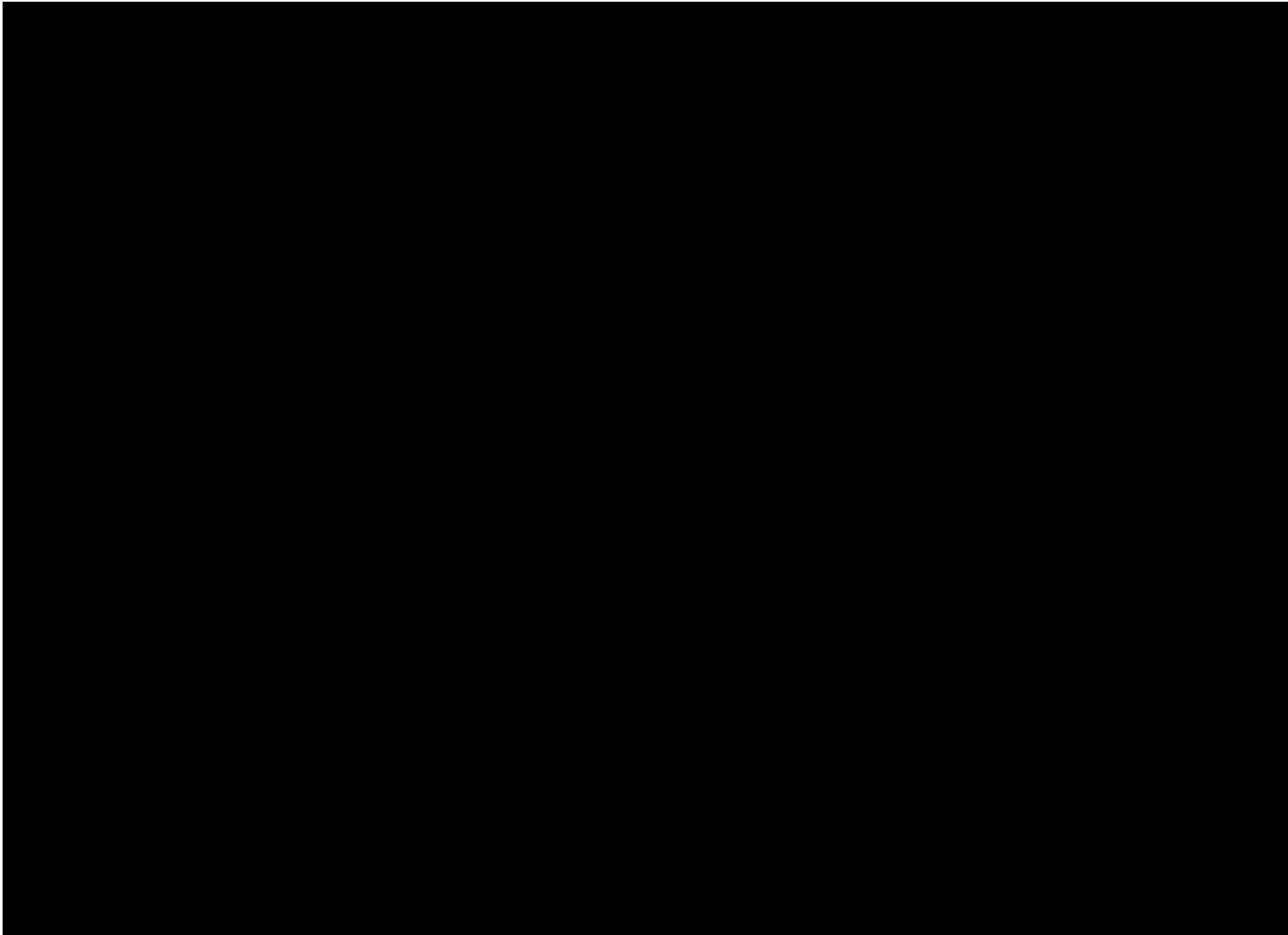
- a. The Final SGD should clarify that the 3-month ‘as-of-right’ extension is granted upon simple written notice to Board Staff, i.e. (i) not subject to Board or Board Staff approval and (ii) not subject to ‘good cause’ justification. In other words, the Final SGD should confirm that the first 3 months of extension are granted without other condition than the written notice being delivered to Board Staff on time.
- b. The Final SGD should clarify that each Critical Milestone may be extended ‘as of right’ up to three (3) months and not that only a single Critical Milestone is subject to the ‘as of right’ extension. The Final SGD should confirm that ‘good cause’ justification and approval are only required for any extension beyond the initial 3 months.



C. Materials Required from Applicants

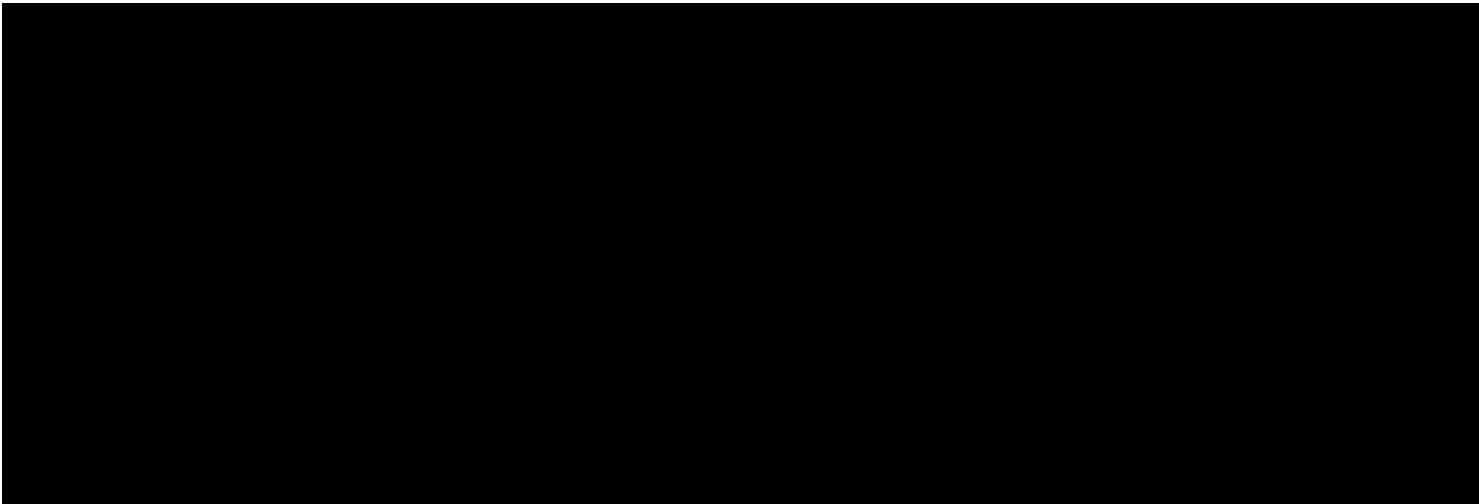
27. (Section 3, page 21) *“For ease of use, the Application Narrative must include either (i) a table of contents with active links to each of the section headings, or (ii) bookmarks to each of the sections, or (iii) both a linked table of contents and bookmarks.”* The Final SGD should clarify if this requirement applies only to the confidential version of the application narrative or to both the confidential and public versions of the application narrative.

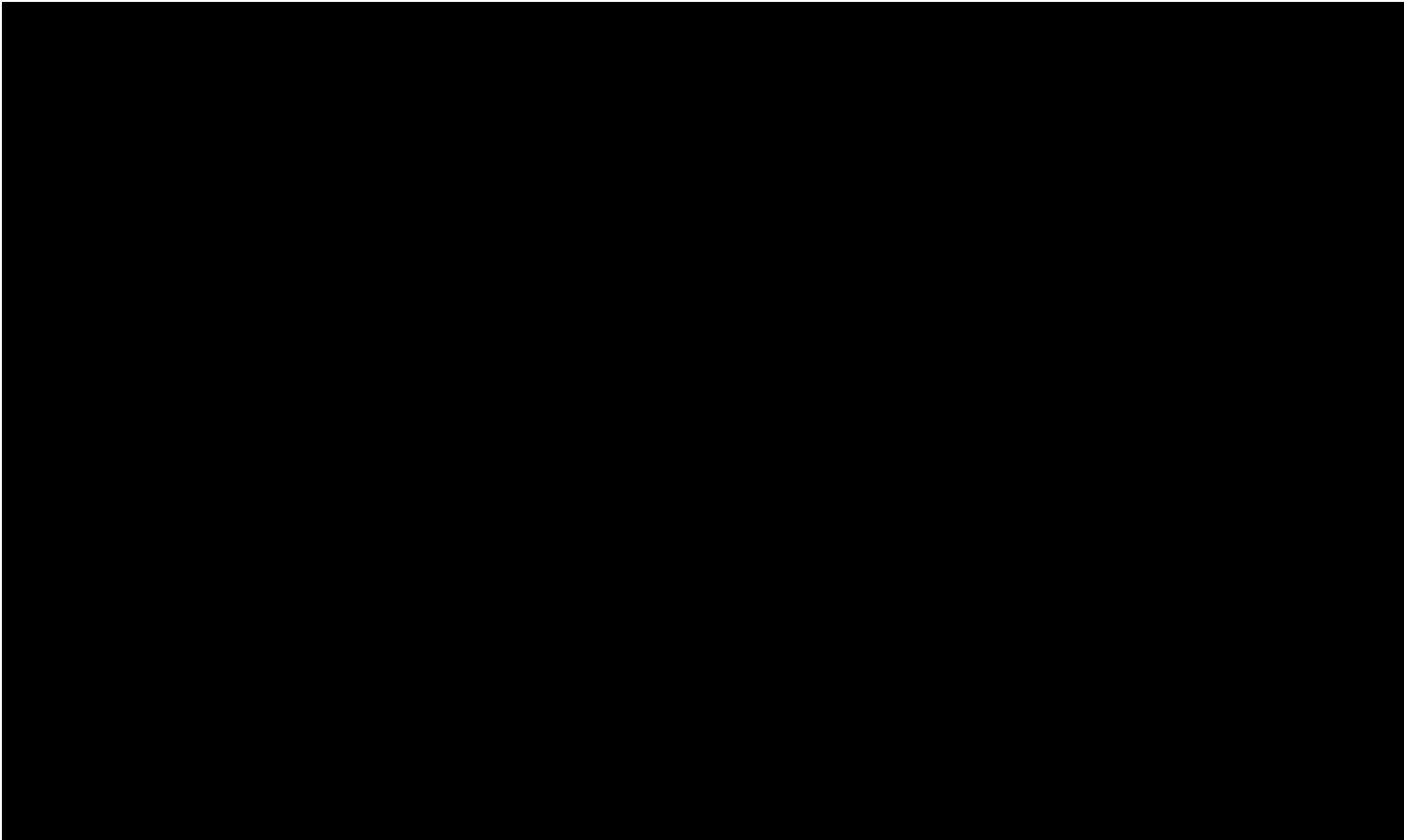




- **Project Descriptions**

30. (Section 3.2, page 25) To limit the size of the Application and optimize the submission process, the Final SGD should permit the submission of key Project suppliers' financial statements through a web-based link rather than full PDF files, as long as the linked files are searchable PDFs.

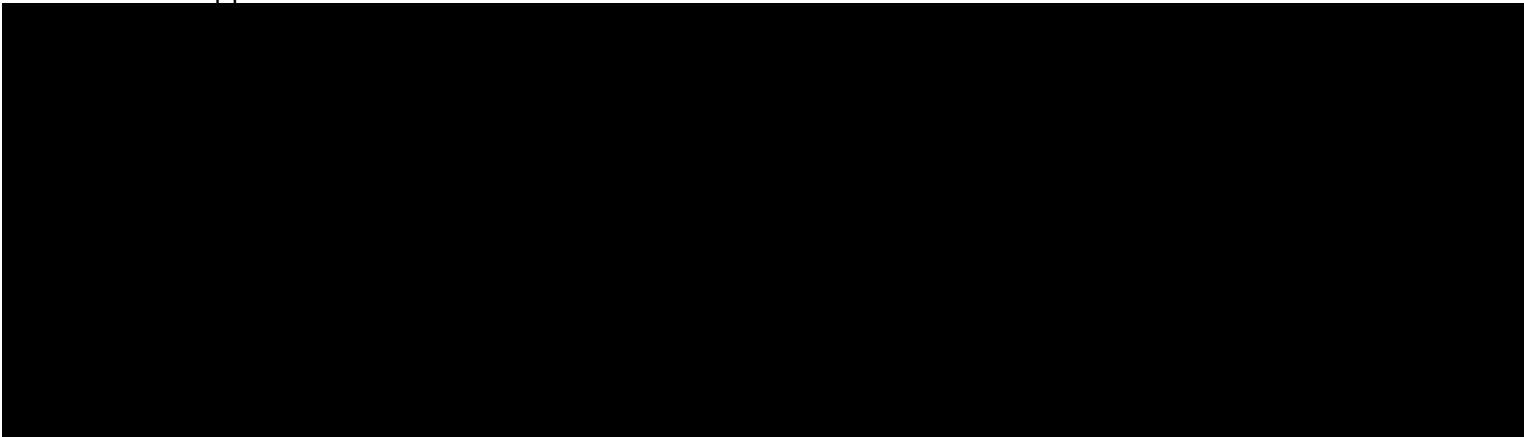


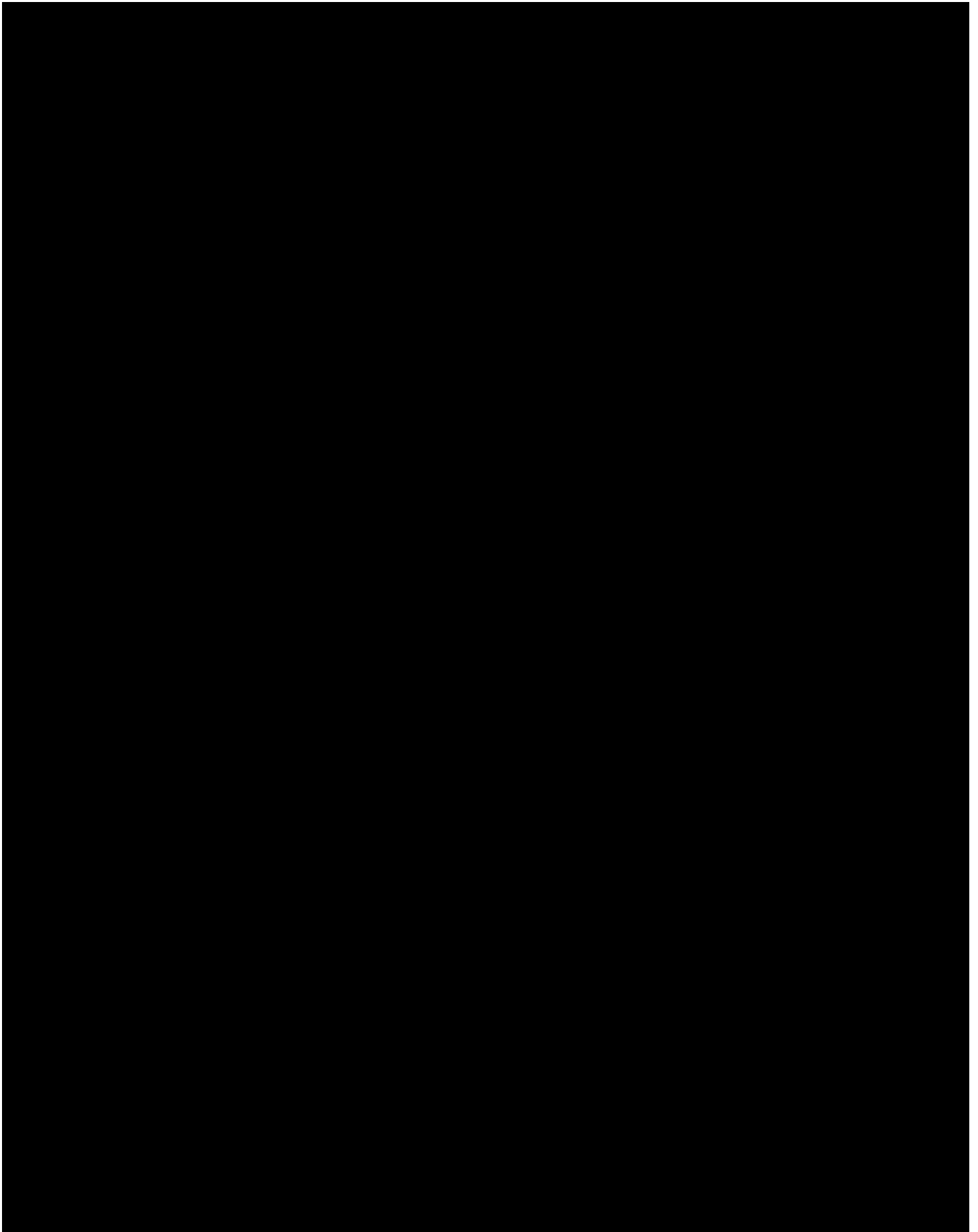


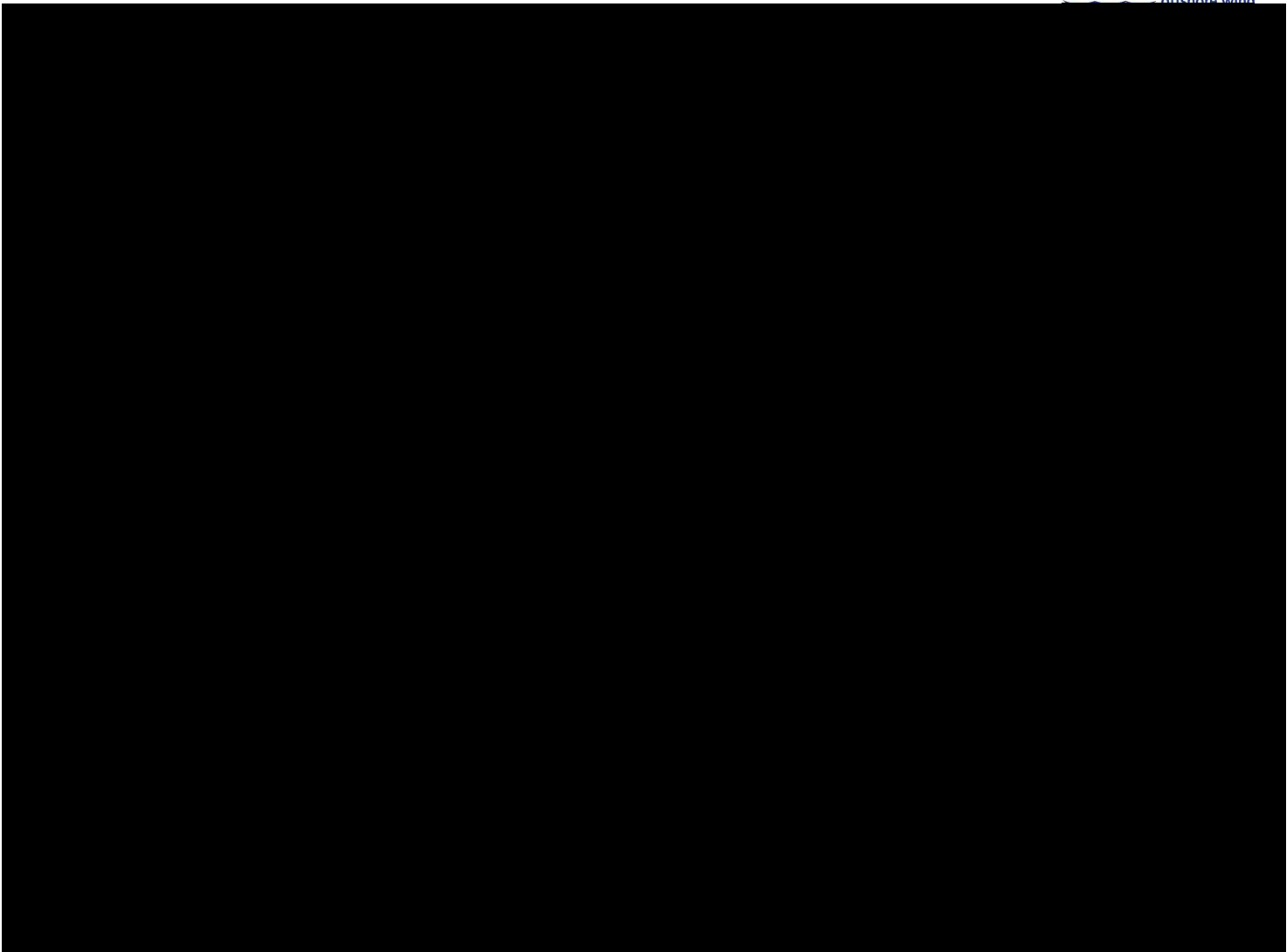
- **Project Revenue Plan & Strategy**

36. Section 3.7, page 31 states *“Describe the approach to calculating a capacity price forecast”* The Final SGD should clarify which capacity price proxy will be used by the Board to calculate a capacity price forecast.

37. Section 3.7, page 31 states *“The annual amount of revenues from whatever source expected to be generated by the Project shall be reflected in the revenue plan (N.J.A.C. 14:8-6.5(a)(12)(ix)). Demonstrating how Qualified Projects maximize revenue through participation in evolving markets administered by PJM over the OREC term may require submittal of periodic compliance filings for Board approval. The Board will inform Qualified Projects of compliance plan filing requirements at a future date.”* The Final SGD should elaborate on the concept of periodic compliance filings, including explanation of their purpose, given that all revenues will be administered by the OREC Administrator with approval of the Board.



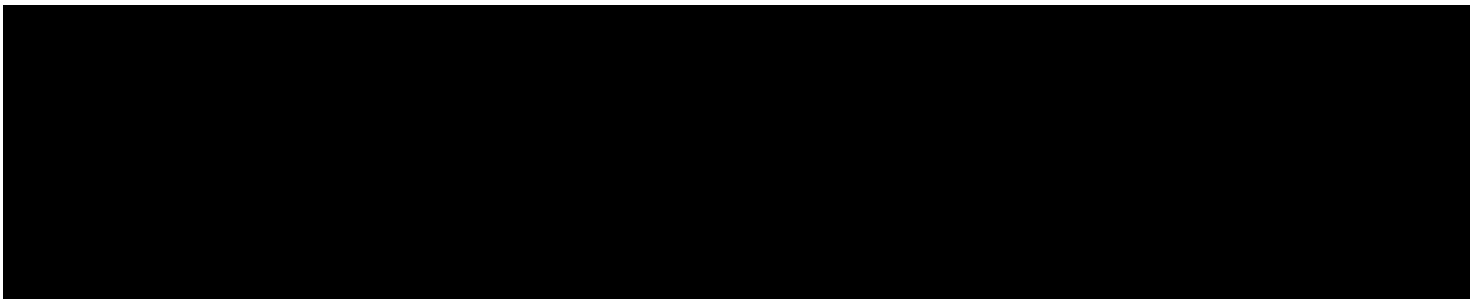


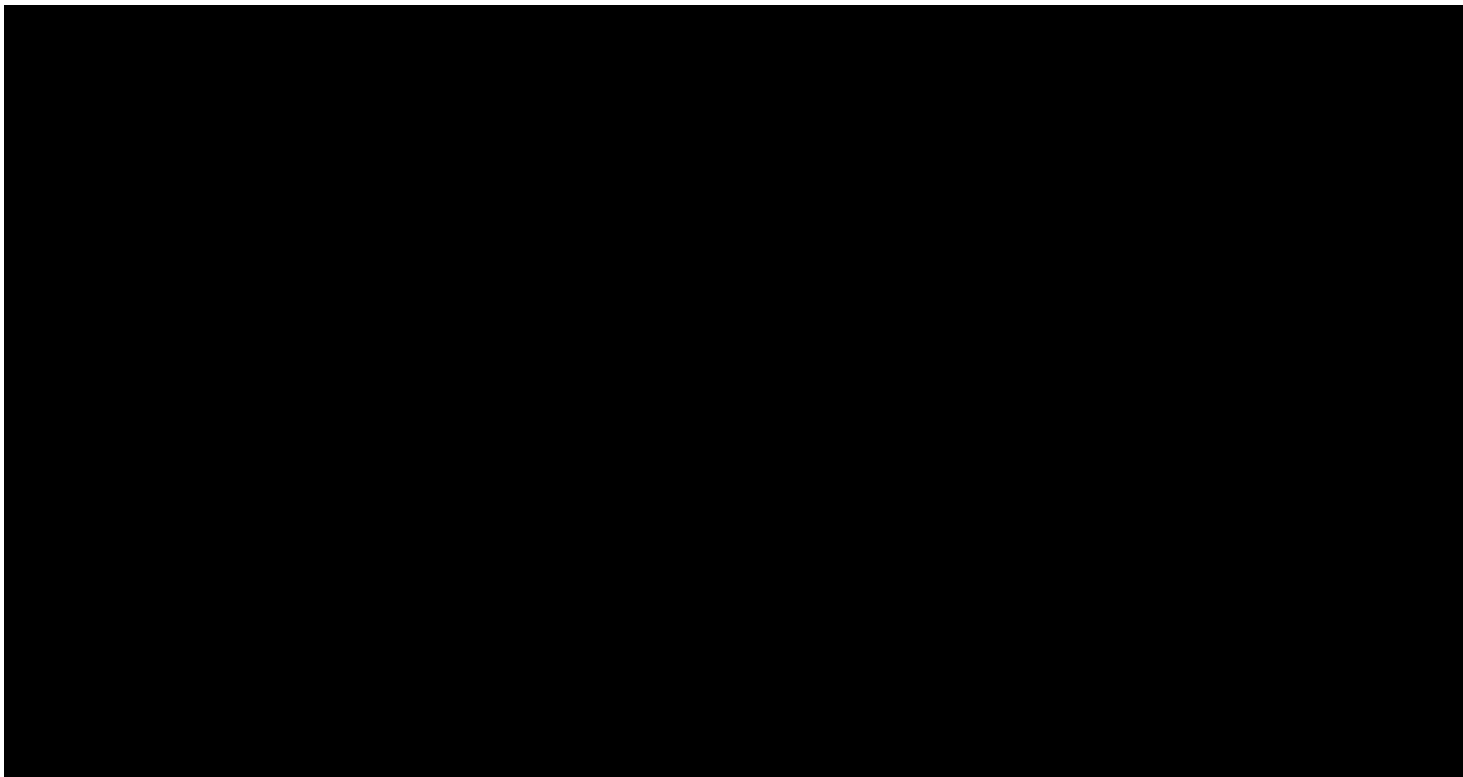


44. (Section 3.8, page 34) The Draft SGD requires applicants to include both a spending guarantee and a jobs guarantee. The Final SGD should clarify how both of these guarantees can be offered in a manner that does not double count the same economic benefit



The SGD should recognize this issue and explain how applicants should not be burdened with “double count” guarantees





- **Environmental Protection Plan and Emissions Impacts**

48. Section 3.10, page 41 states the Environmental Protection Plan must include: *"The anticipated CO₂ emissions impact of the Project" and "information regarding the direct emission impacts of the Project, including CO₂, SO₂, and particulate matter ("PM_{2.5}"), as well as other relevant environmental impacts, such as impacts on the marine environment."*

The Final SGD should clarify what is covered by *"anticipated CO₂ emissions," "the direct emissions" and "full accounting of emissions"* as these terms potentially conflict with each other.

