



RISE
LIGHT & POWER

March 27, 2024

Sherri L. Golden
Secretary of the Board
New Jersey Board of Public Utilities
44 South Clinton Avenue,
1st Floor Post Office Box 350
Trenton, NJ 08625-0350

Via email to: Board.Secretary@bpu.nj.gov

Re: In the Matter of the Opening of New Jersey's Fourth Solicitation for Offshore Wind Renewable Energy Certificates (ORECs), Docket No. QO24020109.

Dear Secretary Golden,

Rise Light & Power, LLC, on behalf of its wholly owned subsidiary Outerbridge New Jersey, LLC (collectively, Rise) appreciates the opportunity to provide the New Jersey Board of Public Utilities (BPU) with comments in support of the opening of New Jersey's Fourth Solicitation for ORECs.

In New Jersey, Rise owns the site of the former Werner Generating Station – a 24-acre brownfield on the Raritan Bay in South Amboy – which it is redeveloping to serve as both an interconnection point for offshore wind, and as an operations and maintenance base for offshore wind. Separately, Rise is an owner in the Attentive Energy One project, which was awarded an OREC in New York's third offshore wind solicitation last year.

Rise commends the BPU and the Murphy Administration on implementing a nation-leading offshore wind energy program that will deliver major benefits to the State's environment, economy, and ratepayers.

The recently enacted federal Inflation Reduction Act (IRA) includes a number of tax incentives that offer significant potential ratepayer savings on offshore wind projects. In recognition of these incentives, Rise supports the thoughtful approach to interconnection that the BPU has established in its draft solicitation guidance document (SGD) for the Fourth Solicitation as it allows projects the opportunity to capitalize on material tax incentives that would benefit New Jersey's ratepayers. The requirement that Applicants (except for Re-Bid projects) submit (1) a Project that utilizes an HVDC export cable to the Prebuild Infrastructure to interconnect at the Larrabee Collector Station (LCS), and (2) another Project that interconnects at one or more Points of Interconnection (POI) other than the LCS, provides the flexibility for the BPU to select a portfolio of projects that maximizes the use of the LCS, while minimizing costs and environmental impacts for New Jerseyans. Further, this two-part requirement will provide Applicants the flexibility to maximize tax incentives from the IRA, optimize the use of their offshore wind lease areas, and utilize brownfield sites as part of the Project submission(s) – all



of which would benefit New Jersey's ratepayers. Further, this would enable the State to transform brownfield sites into clean energy hubs, as outlined below.

Maximizing Tax Incentives to Minimize Costs to Ratepayers

The IRA offers significant Investment Tax Credits (ITCs) for offshore wind and other clean energy projects. Internal Revenue Service guidance on the IRA states that an offshore wind project qualifies for an additional 10% ITC Energy Communities adder (ECA) if the Project's onshore substation is located in an Energy Community. Energy Communities include brownfield sites, areas with a coal-fired electric generator retirement, and certain communities that meet specific Fossil Fuel Employment and unemployment rate thresholds.

The POI flexibility provided by the draft SGD enables offshore wind developers to propose interconnections at such sites so that New Jersey ratepayers can benefit from the 10% ECA – thereby reducing the cost of delivering offshore wind to New Jersey by hundreds of millions of dollars per project.

Optimizing Offshore Wind Lease Areas to Minimize Costs to Ratepayers

The interconnection guidelines in the draft SGD for the Fourth Solicitation also provide Applicants with the flexibility to propose Projects that include another POI sized to optimize the number of MW located in offshore wind lease areas, which will minimize costs to ratepayers. The flexibility to size Projects interconnecting at an alternative POI allows Applicants to propose project sizes that are congruent to their offshore wind lease area(s) – lowering OREC prices as lease costs are spread over more units of energy. This is particularly important for offshore wind lease areas in the New York Bight. More importantly, providing Applicants the choice to utilize either HVDC or HVAC transmission grants developers with additional flexibility to design and propose the most cost-effective Projects for ratepayers.

Utilizing Brownfields to Minimize Environmental Impacts

Projects that interconnect as sites that qualify for the ECA aligns with the BPU's stated goal of minimizing the environmental impact of offshore wind projects. The ECA incentive will help drive offshore wind developers to locate their onshore equipment at brownfields, industrial sites, and former fossil fuel generating sites that have been used for heavy electricity infrastructure for generations. Transforming these otherwise underutilized sites into clean energy hubs can not only help New Jersey meet its clean energy goal, but also provides a catalyst to spur additional economic development in local communities. Moreover, utilizing brownfields helps preserve greenfield space in the Garden State.



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Rise supports the BPU's intent to proceed quickly with this Fourth Solicitation, and urges the BPU to procure as many ORECs as possible. The uncontracted offshore wind lease areas along New Jersey's Atlantic Coast and in the New York Bight may not be sufficient to support the current offshore wind goals of both New Jersey and New York. The timeline proposed in the draft SGD is aggressive but achievable, based on the BPU's expeditious and successful completion of the Third Solicitation.

Rise appreciates the opportunity to provide comments to the BPU and its Staff. Please do not hesitate to reach out to us if we can be of further assistance.

Respectfully,

Richmond Young
Director of Development
Rise Light & Power