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March 27, 2024

Christine Guhl-Sadovy
President
New Jersey Board of Public Utilities
44 S. Clinton Avenue
Trenton, NJ 08625-0350

Sherri L. Golden
Secretary of the Board
44 S. Clinton Ave., 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350

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RE: In the Matter of the Opening of New Jersey’s Fourth Solicitation for Offshore Wind Renewable Energy Certificates, Docket No. QO24020109

Dear President Guhl-Sadovy, Secretary Golden, and NJBPU Staff,

Please accept the below comments from Community Offshore Wind (“COSW”) regarding the Request for Comments associated with the opening of New Jersey’s Fourth Solicitation for Offshore Wind Renewable Energy Certificates, issued by the New Jersey Board of Public Utilities (“NJBPU”) on March 6, 2024.¹ COSW acknowledges the significant effort involved in collecting and integrating stakeholder feedback and appreciates the opportunity to provide comments.

RWE Offshore Wind (“RWE”) and National Grid Ventures (“NGV”) share a vision of working together, with stakeholders, to deliver Local Clean Energy For All. Through their joint venture, COSW, they seek to enable communities in New Jersey to benefit from offshore wind. COSW strongly supports New Jersey’s nation-leading 11 GW by

¹ Portions of this document contain confidential information that have been redacted in this public copy. Community Offshore Wind, LLC hereby requests confidential treatment of such material (as they are exempt from disclosure under the Open Public Records Act, N.J.S.A. 47:1A-1 et seq. and the Board’s regulations at N.J.A.C. 14:1- 12.1(b)) and submits a confidentiality statement in support of such request.

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2040 offshore wind goal and seeks to deliver an affordable Project that grows local economies through new jobs and investment and helps to achieve the State’s climate goals.

[REDACTED]

[REDACTED]

COSW sees additional opportunities to simplify and add flexibility within the Fourth Solicitation that will maximize value for New Jersey ratepayers.

COSW acknowledges the significant work already done by NJBPU to prepare for the Fourth Solicitation and looks forward to working in partnership.

COSW respectfully submits the following comments on the draft SGD, with the intention of improving clarity for offshore wind developers in the final version so that the Fourth Solicitation may yield a robust and competitive set of applications that maximize value for New Jersey ratepayers.

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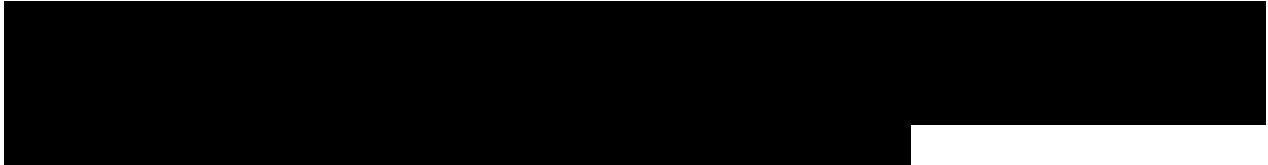
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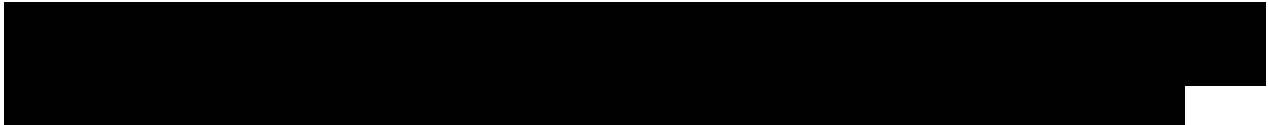
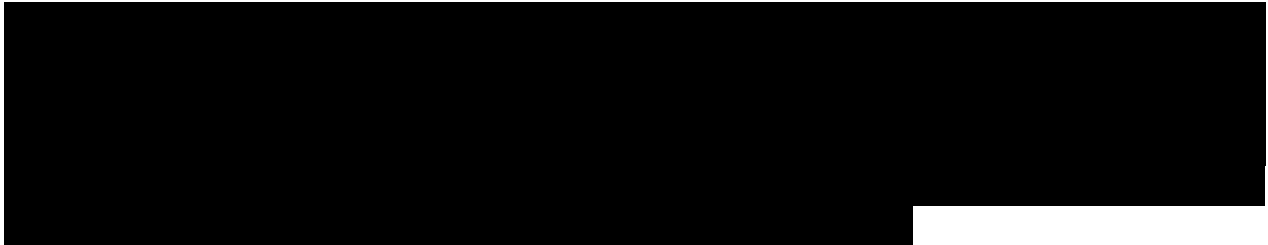
[REDACTED]



Project Revenue Sharing

To improve ratepayer value, NJBPU could consider whether existing regulations support different contract structures in sharing project revenue / value, including:

- **Capacity.** Any capacity revenue sharing between the Project and New Jersey ratepayers would align the interest of both stakeholders to maximize revenue and lower upfront cost to the ratepayer. Ultimately, the PJM capacity market is dependent on risk and reward. The Project decides how much capacity risk to take with limited upside but substantial downside. This creates an environment to limit project risk in order to protect downside, but this also limits revenue passed on to the ratepayer. A capacity revenue sharing structure increases Project’s motivation and would bring in more revenue for both parties, ultimately lowering costs to ratepayers.



Streamline Economic Benefits

COSW is committed to supporting New Jersey’s communities, workforce, and offshore wind supply chain. We work hard to identify high-impact investments and

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opportunities to deliver value to ratepayers. While we appreciate that the economic benefit data requested assists in the assessment of the commitments, we encourage the NJBPU to streamline the Application Form requirements to simplify the application process for developers and evaluators, and focus on what matters most: total and guaranteed direct in-state spend and jobs.

- Eliminate the Bill-of-Goods from the Application Form. It appears the purpose of the Bill-of-Goods is to provide a more granular breakdown of the source of the economic benefit guarantees. While this may provide the NJBPU with the assurance that developers have thought through how they will deliver the benefits, the data it provides is unnecessary. It is our understanding that verification occurs at the aggregate level based on the guaranteed totals and that developers are not bound to deliver the values associated with each line item in the Bill-of-Goods. The preparation of this worksheet directs time and resources away from the information that matters most.
- Eliminate the requirement to estimate indirect and induced economic impacts. Indirect and induced benefits are modeled outputs. They are outside of the control of the developer, do not need to be verified, and are highly speculative. Similar to the Bill-of-Goods, this requirement distracts from the real value delivered through direct benefit commitments. If the NJBPU needs this information to conduct its own CBA analysis, we encourage the NJBPU to develop a worksheet requesting the specific model inputs needed and run the analysis as part of its evaluative process.

General RFP Requirement Clarifications/Amendments

After reviewing the draft SGD we have identified several opportunities where additional clarification or context would improve the Applicants' understanding of the NJBPU's intent and allow Applicants to provide the information required by the NJBPU to conduct a thoughtful evaluation of each proposal. We believe clarification of these provisions in the final SGD can reduce the need for additional clarifying questions post-submission.

Economic Benefits Tracking and Reporting

Section 3.8 of the draft SGD includes a new provision requiring Applicants to propose a system for reporting, tracking, and verifying in-state jobs and spending. COSW agrees that the tracking, reporting, and verification of guarantees is critical. While we are happy to propose a system, we recommend that the NJBPU incorporate additional guidance into the SGD addressing the NJBPU's preferences and/or expectations around the timing and cadence of reporting, third party verification requirements, and other minimum requirements based on best practices from prior solicitations to ensure that Applicants can proactively develop a reporting, tracking, and verification plan that meets the needs of the NJBPU.

Treatment of Non-OTN Alternatives

New Jersey’s Third Solicitation required all proposals to include OTN-ready designs. The draft SGD allows for the submission of non-OTN ready proposals but does not address how these proposals will be evaluated. In order for Applicants to make informed decisions regarding whether to propose non-OTN solutions we recommend the NJBPU include language describing how such proposals will be scored relative to OTN-ready proposals. For instance, is there an implied preference for an OTN-ready proposal? Will OTN-readiness be factored into viability scoring? Is there a cost benefit analysis that the NJBPU will apply for comparative purposes?

Land Acquisition

Appendix 10 of the Third Solicitation specified that land for the onshore converter station had been identified near the LCS for projects using PBI. The draft SGD for the Fourth Solicitation does not address whether the same is true for a potential project that would utilize the fourth circuit of the PBI. We recommend the NJBPU state clearly whether land has been allocated to support HVDC equipment at or near the LCS for a project proposal that utilizes the fourth PBI circuit.

[REDACTED]

[REDACTED]