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July 11, 2024

## Via Electronic Mail

Hon. Sherri Golden, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 9th Floor P.O. Box 350 Trenton, New Jersey 08625 Board.Secretary@bpu.nj.gov

Re: In the Matter of the Board of Public Utilities Offshore Wind Solicitation for 1,100 MW - Evaluation of the Offshore Wind Applications BPU Docket No. QO18121289

In the Matter of the Petition of Ocean Wind, LLC Pursuant to N.J.S.A. 48:3-87.1(f) for a Determination that Easements Across Green Acres-Restricted Properties and Consents Needed for Certain Environmental Permits in, and with Respect to, the City of Ocean City Are Reasonably Necessary for the Construction or Operation of the Ocean Wind 1 Qualified Offshore Wind Project

BPU Dkt. No. QO22020041

In the Matter of the Petition of Ocean Wind LLC Pursuant to N.J.S.A. 48:3-87.1(f) for a Determination that Certain Easements and Consents Needed for Certain Environmental Permits in, and with Respect to, the County of Cape May Are Reasonably Necessary for the Construction or Operation of the Ocean Wind 1 Qualified Offshore Wind Project BPU Dkt. No. QO22050347

## Dear Secretary Golden:

On July 1, 2024, Ocean Wind LLC ("Ocean Wind") filed a motion to vacate (hereinafter,

"the Motion") four Board Orders: (1) the June 21, 2019 Order in BPU Docket No.

QO18121289; (2) the September 28, 2022 Order in BPU Docket No. QO22020041; (3) the November 2, 2022 Order in BPU Docket No. QO22020041; (4) the February 1, 2023 Order in BPU Docket No. QO22050347; and (5) the March 24, 2023 Order in BPU Docket No. QO22050347. Please accept this response on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel"). According to the Motion, Ocean Wind asserts that, on May 25, 2024, "Orsted A/S, Orsted North America Inc., Orsted Wind Power North America LLC, Ocean Wind LLC, and Ocean Wind II, LLC, the State of New Jersey and the Board entered into a settlement agreement" (hereinafter, referred to as the "Settlement Agreement"). Notwithstanding this assertion, the Settlement Agreement was not attached to the Motion. The Motion further purports to claim that the Settlement Agreement requires "Orsted" to move to vacate the "Ocean Wind Orders and the Board Orders granting easements to certain real property owned by Ocean City and Cape May County . . . . " The Motion further purports to claim that the Settlement Agreement states "the State consents to such vacation and agrees to take all action reasonably necessary to effectuate such vacation."

The Settlement Agreement states that it is between "the State of New Jersey and the New Jersey Board of Public Utilities" and "Ørsted A/S, Orsted North America Inc., Orsted Wind Power North America LLC,1 Ocean Wind LLC, and Ocean Wind II, LLC" which are collectively referred to as "Orsted" throughout the document.<sup>6</sup> The Settlement Agreement lists a number of Board Order and agreements between the parties including a "standstill Agreement"

<sup>1</sup> Ocean Wind Motion to Vacate at 1 (Jul. 1, 2024).

<sup>&</sup>lt;sup>3</sup> Rate Counsel only received the Settlement Agreement after requesting it from the Attorney General's Division of Law.

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> Ibid.

<sup>&</sup>lt;sup>6</sup> Settlement Agreement at 1.

dated April 24, 2024. The Settlement Agreement provides that Orsted will pay \$125 million to the State and that "[i]n the absolute sole discretion of the Board" the payment shall be used for clean energy programs "including, but not limited to, additional investments in qualified wind energy facilities, investments in one or more offshore wind component manufacturing facilities, and other clean energy programs to encourage meeting the State's clean energy goals under the State's Energy Master Plan." In return for this payment, the State agrees to release "actions, causes of action, suits, debts, damages, liabilities, obligations, and demands whatsoever, in law or equity, of whatever kind or character, whether known or unknown, fixed or contingent, which against . . ." the other.

As preliminary matter, Rate Counsel notes that it was a party to all the Board Orders upon which Ocean Wind requests relief in the Motion. The Offshore Wind Economic Development Act, under N.J.S.A. 48:3-87.1, unequivocally states that "[a]n order issued by the board pursuant to this subsection shall not be modified by subsequent board orders, unless the modifications are jointly agreed to by the parties." Moreover, in considering settlements, the Appellate Division has held that "it is important that most of the active parties participate in negotiating the settlement and that the non-consenting parties be given an opportunity to argue against the stipulations." Nonetheless, Rate Counsel was not invited to any "settlement discussions" that led to the Settlement Agreement. Rate Counsel was never served with a copy of the Settlement Agreement. At no time did any party seek Rate Counsel's consent to modify these Board orders. On this basis alone, the motions are premature.

<sup>&</sup>lt;sup>7</sup> Settlement agreement at 4.

<sup>&</sup>lt;sup>8</sup> In re Pub. Serv. Elec. & Gas Co., 304 N.J. Super. 247, 254, certif. denied 152 N.J. 12 (1997).

Despite these procedural deficiencies, Rate Counsel does not object to the relief sought by Ocean Wind, but has a number of concerns regarding the Motion. Procedurally, Rate Counsel questions the basis on which the Board could consider the Motion. Indeed, the Board has plainly held that its "regulations do not provide for such a request after the issuance of a Final Decision." Rather, the Board has chosen to treat such motions as requests for rehearing, reargument, or reconsideration under N.J.A.C. 14:1-8.6. The Board should be clear that pursuant to existing precedent, this motion shall be treated as a motion under N.J.A.C. 14:1-8.6. While the motion does not in fact comport with the requirements of N.J.A.C. 14:1-8.6, Rate Counsel is willing to consent to a waiver of those requirements pursuant to N.J.A.C. 14:1-1.2(b). Even with this procedural fix, it is unclear how the Settlement Agreement is before the Board, or how the Board is a party to this Settlement Agreement, when it has never approved the Settlement Agreement. While subsequent Board ratification of a stipulation has occurred, the Board cannot be bound to a stipulation of settlement without its formal approval. That did not happen in this instance, so reliance on the Settlement Agreement as the basis for the motion is inappropriate. Moreover, it is unclear how such a consequential act under N.J.S.A. 48:3-87.1 could be subdelegated to the Office of the Attorney General without it ever appearing on the Board's agenda for an open meeting or allowing the named parties to those orders an opportunity to comment on the terms of the Settlement Agreement.

Notwithstanding the questionable status of the Settlement Agreement, Rate Counsel is an independent agency tasked with representing the public interest. <sup>10</sup> As noted above, Rate Counsel was not involved in the negotiation of the terms of settlement, nor was it ever invited to become

Louis L. Anderson v. Verizon

See 52:27EE-46 and -48.

<sup>&</sup>lt;sup>9</sup> Louis L. Anderson v. Verizon New Jersey, BPU Docket No. TC07060428U (Jun. 7, 2007).

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a signatory. Despite being a party in all of these matters, Rate Counsel is not a party to the

Settlement Agreement. Accordingly, Rate Counsel does not deem itself bound by the terms of

the Settlement Agreement and reserves all rights to bring any action in law or equity it deems

appropriate. 11

The Board should treat this Motion as what it is, a request from Ocean Wind to

reconsider the Board's orders in four separate matters. The Settlement Agreement in this matter

is a red herring and should be disregarded by the Board for purposes of this request. Based upon

that motion, and the public record that Ocean Wind is unable or unwilling to comply with the

terms of those prior orders, the Board should grant the motions and reverse its decision in all four

orders. Moreover, the Board should direct Ocean Wind to immediately advise the Appellate

Division and any other Court considering enforcement of those orders of the Board's decision

and that those pending matters are now moot. Rate Counsel does not object to the Board

proceeding in this manner.

Respectfully,

BRIAN O. LIPMAN

DIRECTOR, DIVISION OF RATE COUNSEL

By:

/s/ T. David Wand

T. David Wand, Esq.

Deputy Rate Counsel

C: Service List

<sup>11</sup> See 52:27EE-48.

## Offshore Wind Solicitations BPU Docket Nos. QO18121289, QO22020041 and QO22050347

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