

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

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

RE: In the Matter of New Jersey's Energy Master Plan (Docket No. QO24020126)

Dear President Guhl-Sadovy, Secretary Golden, and NJ BPU Staff,

The New Jersey Offshore Wind Alliance (NJOWA) is the leading voice for the offshore wind industry in New Jersey, dedicated to the growth of the offshore wind sector. As a membership-driven organization, NJOWA represents offshore wind developers with lease-holding interests in the New York Bight, alongside key regional renewable energy organizations. Through strategic advocacy, stakeholder engagement, and policy leadership, NJOWA works to accelerate the responsible development of offshore wind in New Jersey. Organized under MAREC Action—a nonprofit coalition of renewable energy developers and manufacturers operating across the PJM grid region—NJOWA is committed to fostering a clean energy future that drives economic growth, job creation, environmental stewardship, and energy independence for the Garden State. We appreciate the opportunity of being included in the stakeholder process undertaken in 2024 to help guide the updated Energy Master Plan (EMP). We submitted comments last year in response to the EMP straw proposal that included similar suggestions and strategies. However, as dynamics continue to evolve for the energy industry, the following comments provide a more accurate picture of the industry at present time.

Since 2018, New Jersey has made important strategic decisions to position itself as an offshore wind industry leader and a champion of renewable energy. As the state's leading energy entity, you have made choices to ensure that New Jersey is able to meet rising energy demand while decarbonizing the economy and increasing economic and job growth. New Jersey has already been disproportionately affected by climate change and sea level rise, at a rate that is more than 2x the global average. Over the last 50 years, storms that resulted in extreme rain increased by 71% in New Jersey, which is a faster rate of increase than anywhere else in the United States. In 2021 alone, New Jersey was hit

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by Tropical Storm Ida, which caused over \$16 billion in damages across the region and tragically claimed dozens of lives. The state is experiencing more frequent storms, tidal flooding, and intense heat days that strain our electric grid and threaten vulnerable populations. According to [AccuWeather](#) – climate change has cost the US economy upwards of \$80 billion dollars in the last year. If we fail to act, the cost of inaction—both human and economic—will only grow. The reduction in greenhouse gas emissions and improvement in air quality must continue to be the guiding light of the next EMP to combat climate change, safeguard public health, and ensure sustainable economic growth in the long-term.

At the same time, we recognize that the state needs to increase its energy production. We share your commitment to the Governor’s Executive Order 315, setting a target of 100% renewable energy by 2035, and stand ready to help deliver on that goal. Similarly, we support the Governor’s Executive Order 307 that establishes one of the country’s most ambitious offshore wind targets of 11,000 MW of offshore wind power by 2040. These important goals help attract investment into the state and provide an important market signal to the clean energy community that New Jersey is aggressive on energy production and stands open for business. However, uncertainty causes market instability and reduces investor confidence, making project investment challenging. Like other sectors of our economy, energy businesses rely on stable policy regimes that include pro-investment and development regulation. While we face an uncertain regulatory regime at the federal level, we stress the importance of state commitments to the offshore wind industry. Our suggested improvements to the current process are outlined below.

Procurement:

First, we commend the Board for publishing a schedule and megawatt targets for solicitations and for providing transparency to the developer community. It is important to make the schedule reasonable so that both Board staff and developers can meet the deadlines set out in the timeline. Providing ample time for digesting application requests, incorporating feedback, and time to prepare the bid is necessary for competitive submissions that deliver greater value to New Jersey ratepayers. Time between the release of a solicitation and the deadline for submittal enables developers to fully consider the opportunities, risks, and risk mitigations associated with these complex megaprojects and their nascent US supply chains. A thorough understanding of potential risks allows developers to provide accurate and lower-cost prices in submitted bids.

While the structure of procurement itself has positively evolved with every solicitation since 2021, there is still room for improvement. It is critical that future procurements provide greater flexibility in every step of the process, and that the Board provides clear scoring requirements so that developers can do their best to meet the State’s needs. Flexibility around schedule and project timelines is particularly critical, given the current uncertainty in federal permitting timelines. Projects should be able to extend Commercial Operations Dates (CODs), if there are delays that are outside of a project’s control. The OREC award itself should also revolutionize to be nimbler to allow adaptation

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to changing economic dynamics. New Jersey should look to adopt a more flexible model for contract negotiations as flexibility would allow companies to navigate unanticipated events. This approach to procurement would allow for a more open dialogue between developers and regulators that leads to better cooperation and fluidity. Onerous and rigid deadlines in the current market have proven to be challenging to meet. Simplifying the procurement process would also yield positive results. Current procurement requirements include expectations for projects to make significant investments in addition to providing energy to the state. Generally, any additional financial commitments or requirements increase project costs and put the project at a mercy of developments in other industries and sectors that it cannot control. Streamlining the process and focusing on project delivery will lead to cost decreases. Working with developers to ensure efficient and effective project delivery that is aligned with economic growth opportunities will provide the most effective value for the New Jersey rate payer. In addition, collaborating on supply chain and local content with neighboring states, and demonstrating that collaboration in the bid scoring process, would better enable the development of a regional industry and strengthen New Jersey's position in the broader domestic offshore wind context. With neighboring states securing major manufacturing contracts, the region's economy continues to grow and thrive from the offshore wind industry. It is truly a tide that rises all boats. Regional collaboration will enable more movement, utilization, and support of each other's investments.

The state's evolution of procurement has already yielded some important changes, responding to long-term project timelines that may require a re-evaluation of pricing due to the dynamic nature of the market and fluctuating costs, especially over extended durations. Thought should also be given to the current OREC contract period. The current 20-year cycle was established by the Offshore Wind Economic Development Act (OWEDA) in 2009. A contract with the ability to extend up to 30 years is more aligned with updates in industry technology and would support more competitive pricing for New Jersey ratepayers. OWEDA, the foundational law that was signed by Governor Christie fifteen years ago, requires a much-needed modern update to reflect current market realities. Updating that legislation would allow BPU to make much needed regulatory changes and we fully support the pursuit of the law's reform.

Supply Chain & Workforce Development:

Supply chain constraints have plagued all technologies in the energy sector. We applaud the New Jersey Economic Development Authority (EDA) for making crucial investments in the New Jersey Wind Port and the EEW monopile manufacturing plant in Paulsboro. Both resources along with in-state talent, workforce, and geographic location make New Jersey attractive for offshore wind business investment. We encourage the state to continue the charted path of long-term investments and support the development of a robust in-state supply chain. We believe NJ's offshore wind supply chain and workforce require consistency to be effective. Coordinating across other parallel/ sister industries and technologies under the larger "clean energy" umbrella, with a major focus on transferrable skills, will create greater supply chain and workforce security that is less contingent on individual projects but rather a portfolio of infrastructure and energy projects. We similarly encourage continued collaboration with neighboring states to ensure

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the regional supply chain reflects and leverages the strengths of each state. Regional development of the offshore wind supply chain will ensure broader domestic opportunities and lower ratepayer impacts by spreading investments across states. To that end, we encourage the development of a process to capture or count the multi-state collaboration and investment in future solicitations.

As an industry we work collaboratively with the New Jersey Manufacturing Extension Program and the EDA's Supply Chain Registry to ensure businesses in the Garden State are aware of opportunities and prepared to take advantage of them. The New Jersey Disparity Study by the Department of Treasury exemplified that there is more work to be done to provide meaningful opportunities for Minority and Women-Owned (MWBE) businesses. Continued pre-apprenticeship and work force development programs along with technical assistance and education for businesses interested in participating in the supply chain will help ensure that the benefits of offshore wind accrue statewide. We support the ongoing work of the Wind Institute, the Department of Labor, and the Governor's Council on the Green Economy to diversify the offshore wind supply chain and suggest more engagement with the Department of Education to involve more public schools. We encourage the Wind Institute to continue to work and partner with developers and recommend identification of quantifiable goals and metrics to assist with measuring success on a year-to-year basis. It is also critically important the state continues to market itself as a hub for offshore wind across the United States and abroad. This must also include the opportunity for administrative staff to attend conferences and events outside of New Jersey for continued education and networking purposes.

De-Risk Permitting:

Permitting timelines—federal, state, and local—are factored into all energy projects, but offshore wind faces added complexity due to rigorous permitting processes that require coordination across multiple levels of government and often over multiple administrations. Delays or uncertainties, especially at the federal level, can seriously impact project success. While developers are committed to environmental responsibility and compliance, we currently expect extended federal permitting timelines. We encourage the State to review its current permitting process and build in flexibility to mitigate risks from federal delays, especially during administrative transitions. Changes in administration are likely to lengthen the state permitting process and we recommend that when there is no fault of the industry or developer there should be actions built into the OREC providing clarity and certainty around risk mitigation. This will reduce risks for developers and therefore lower prices.

Transmission:

We applaud the BPU for its forward-thinking transmission planning and the nation-leading State Agreement Approach. This streamlined approach supports sustainable industry development and will significantly reduce costs and impacts. The Prebuild Infrastructure (PBI) is an integral part of the of OSW project delivery so we would request that the schedule, including award, engineering and construction, is fully aligned with Developers to maximize

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synergies and minimize disruption to bring the best value to the New Jersey rate payers. We seek as much clarity and certainty as can be provided around planning, schedule, and path forward with respect to key uncertainties in coordinated infrastructure investments. Lastly, we fully support regional collaboration in ongoing infrastructure planning and emphasize the need for a multi-state transmission approach. We were pleased to see the release of the “Strategic Action Plan on State-Led Interregional Transmission Priorities” on April 28th. Investment in modernizing the state’s grid and shoring up transmission will ensure that the state is ready for the infusion of new generation – wherever it comes from. The released action plan identifies gaps in our interregional transmission planning process, and we fully support New Jersey taking steps forward to close those gaps. The work will require tremendous coordination with the federal government, FERC, PJM and other regional grid operators, utilities, ratepayer advocates, and other stakeholders. We hope to be included in the collaborative work and stand ready to provide our expertise on the matter.

Collaboration:

One of the most important lessons learned over the last several years when it comes to offshore wind is the need for better public education and engagement. The state government can better interact with local municipalities and county governments as it relates to offshore wind and its related infrastructure by taking a whole of government approach. More consistent interaction that includes specific state departments that relate to offshore wind, can prove useful in information sharing and project education. The industry stands ready to support that collaboration and encourages the state to form intergovernmental working groups or task forces in counties impacted by offshore wind to foster meaningful dialogue on project benefits, impacts, and planning. We’ve heard from various levels of government about the lack of transparency and education, and we strongly believe consistent communication from the State could help alleviate concerns. We also seek commitment to execute more offshore wind open houses related to projects, to increase personal interactions of New Jersey residents with the developer community and state entities.

Staffing & Resources:

We commend the hard work of this administration's staff over the last several years in helping stand up the offshore wind industry in the state. However, we see a need for increased administrative capacity and resources at the BPU and EDA to ensure adequate implementation of offshore wind solicitations along with many other projects and programs to meet our State’s ambitious climate goals. We eagerly await the release of the full and final Energy Master Plan along with the updated Offshore Wind Strategic Plan (OSWSP). The original plan released in 2020, provided an excellent and comprehensive road map for the state to follow in the goal of unleashing offshore wind and all related benefits. We strongly believe OSWSP2 is much needed to chart a new course that will lead the state through current waters. Lastly, we encourage the Governor to appoint the open BPU board seat so that there is a full complement of Commissioners to vote upon critical board items. A fully staffed BPU and a fully appointed board ensures that the Governor’s vision for New Jersey’s energy landscape and future is realized.

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Complementing other energy sources:

As stated in your draft documents, New Jersey relies on a diverse mix of renewable energy resources. Offshore wind nicely complements technologies such as battery storage and solar. This is particularly true in winter months as offshore wind has a high-capacity factor in the winter when energy demand is high and other sources of energy face lower production. An all-of-the-above approach will be necessary to meet the demands of the future and offshore wind will emerge as a reliable and cost-effective source of generation for PJM. As PJM anticipates high demand increases in New Jersey, the State will have to utilize all energy sources to meet load growth and ensure the grid remains reliable.

Offshore wind poses a unique opportunity for increased energy production, statewide job and economic growth, and defense against climate change. It stands to infuse billions into the Garden State economy and works collaboratively with various entities and sectors to drive innovation forward. New Jersey's clean energy policies have helped unlock private investments that are building new infrastructure, creating careers for local workers, and preparing our state to thrive and not rely on imported energy from Virginia or Pennsylvania. We must continue to support projects that protect our coastlines, preserve our quality of life, and power our economy for generations to come. NJOWA appreciates the opportunity to comment and are happy to serve as a resource to the BPU for offshore wind matters.

Thank you for your consideration of the above comments,

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