

[N.J. Stat. § 48:3-87.1](#)

This section is current through New Jersey 218th First Annual Session, L. 2018, c. 70, and J.R. 6

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§ 48:3-87.1. Application to construct offshore wind project

a. An entity seeking to construct an offshore wind project shall submit an application to the board for approval by the board as a qualified offshore wind project, which shall include, but need not be limited to, the following information:

- (1) a detailed description of the project, including maps, surveys and other visual aides. This description shall include, but need not be limited to: the type, size and number of proposed turbines and foundations; the history to-date of the same type, size and manufacturer of installed turbines and foundations globally; and a detailed implementation plan that highlights key milestone activities during the permitting, financing, design, equipment solicitation, manufacturing, shipping, assembly, in-field installation, testing, equipment commissioning and service start-up;
- (2) a completed financial analysis of the project including pro forma income statements, balance sheets, and cash flow projections for a 20-year period, including the internal rate of return, and a description and estimate of any State or federal tax benefits that may be associated with the project;
- (3) the proposed method of financing the project, including identification of equity investors, fixed income investors, and any other sources of capital;
- (4) documentation that the entity has applied for all eligible federal funds and programs available to offset the cost of the project or provide tax advantages;
- (5) the projected electrical output and anticipated market prices over the anticipated life of the project, including a forecast of electricity revenues from the sale of energy derived from the project and capacity, as well as revenues anticipated by the sale of any ORECs, RECs, air emission credits or offsets, or any tradable environmental attributes created by the project;
- (6) an operations and maintenance plan for the initial 20-year operation of the project that: details routine, intermittent and emergency protocols; identifies the primary risks to the built infrastructure and how the potential risks, including but not limited to hurricanes, lightning, fog, rogue wave occurrences, and exposed cabling, shall be mitigated; and identifies specific and concrete elements to ensure both construction and operational cost controls. This operations and maintenance plan shall be integrated into the financial analysis of the project, and shall identify the projected plan for the subsequent 20 years, following conclusion of the initial 20-year operations, assuming any necessary federal lease agreements are maintained and renewed;
- (7) the anticipated carbon dioxide emissions impact of the project;
- (8) a decommissioning plan for the project including provisions for financial assurance for decommissioning as required by the applicable State and federal governmental entities;
- (9) a list of all State and federal regulatory agency approvals, permits, or other authorizations required pursuant to State and federal law for the offshore wind project, and copies of all submitted permit applications and any issued approvals and permits for the offshore wind project;
- (10) a cost-benefit analysis for the project including at a minimum:

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(a) a detailed input-output analysis of the impact of the project on income, employment, wages, indirect business taxes, and output in the State with particular emphasis on in-State manufacturing employment;

(b) an explanation of the location, type and salary of employment opportunities to be created by the project with job totals expressed as full-time equivalent positions assuming 1,820 hours per year;

(c) an analysis of the anticipated environmental benefits and environmental impacts of the project; and

(d) an analysis of the potential impacts on residential and industrial ratepayers of electricity rates over the life of the project that may be caused by incorporating any State subsidy into rates;

(11) a proposed OREC pricing method and schedule for the board to consider;

(12) a timeline for the permitting, licensing and construction of the proposed offshore wind project;

(13) a plan for interconnection, including engineering specifications and costs; and

(14) any other information deemed necessary by the board in order to conduct a thorough evaluation of the proposal. The board may hire consultants or other experts if the board determines that obtaining such outside expertise would be beneficial to the review of the proposal.

b.

(1) In considering an application for a qualified offshore wind project, submitted pursuant to subsection a. of this section, the board shall determine that the application satisfies the following conditions:

(a) the filing is consistent with the New Jersey energy master plan, adopted pursuant to section 12 of P.L.1977, c.146 ([C.52:27F-14](#)), in effect at the time the board is considering the application;

(b) the cost-benefit analysis, submitted pursuant to paragraph (10) of subsection a. of this section, demonstrates positive economic and environmental net benefits to the State;

(c) the financing mechanism is based upon the actual electrical output of the project, fairly balances the risks and rewards of the project between ratepayers and shareholders, and ensures that any costs of non-performance, in either the construction or operational phase of the project, shall be borne by shareholders; and

(d) the entity proposing the project demonstrates financial integrity and sufficient access to capital to allow for a reasonable expectation of completion of construction of the project.

(2) In considering an application for a qualified offshore wind project, submitted pursuant to subsection a. of this section, the board shall also consider:

(a) the total level of subsidies to be paid by ratepayers for qualified offshore wind projects over the life of the project; and

(b) any other elements the board deems appropriate in conjunction with the application.

c. An order issued by the board to approve an application for a qualified offshore wind project pursuant to this section shall, at a minimum, include conditions to ensure the following:

(1) no OREC shall be paid until electricity is produced by the qualified offshore wind project;

(2) ORECs shall be paid on the actual electrical output of the project that is delivered into the transmission system of the State;

(3) ratepayers and the State shall be held harmless for any cost overruns associated with the project; and

(4) the applicant will reimburse the board and the State for all reasonable costs incurred for regulatory review of the project, including but not limited to consulting services, oversight, inspections, and audits.

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An order issued by the board pursuant to this subsection shall specify the value of the OREC and the term of the order.

An 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.

d. The board shall review and approve, conditionally approve, or deny an application submitted pursuant to this section within 180 days after the date a complete application is submitted to the board.

History

L. [2010, c. 57](#), § 3, eff. Aug. 19, 2010.

Annotations

Research References & Practice Aids

Cross References:

Coordination in administration of programs; use of moneys, see [26:2C-51](#).

Credit to business for wind energy facility; eligibility, see [34:1B-209.4](#).

Definitions relative to competition in the electric power, gas, solar energy and offshore wind industries, see [48:3-51](#).

Environmental disclosure requirements; standards; rules, see [48:3-87](#).

Approval of project by board, see [48:3-87.2](#).

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§ 48:3-87.2. Approval of project by board

a. The board may approve, subject to the project obtaining the necessary permits, approvals, and authorizations from the Department of Environmental Protection, a qualified wind energy project located in territorial waters offshore of a municipality in which casino gaming is authorized, and authorize offshore wind renewable energy certificates for that project. Any such project shall be a nominal 20 megawatts and no more than 25 megawatts in nameplate capacity and comply with the requirements set forth in section 3 of [P.L.2010, c.57 \(C.48:3-87.1\)](#), and the cumulative number of wind turbines approved for the project shall not exceed six.

b. Upon the date of enactment of [P.L.2018, c.21](#), the board shall accept a submitted application under section 3 of [P.L.2010, c.57 \(C.48:3-87.1\)](#) for the qualified wind energy project to be located in territorial waters offshore of a municipality in which casino gaming is authorized for which an application therefor had been submitted to the board prior to the date of enactment of [P.L.2018, c.21](#). The board may consider relevant information filed in connection with the prior application in undertaking its review and, notwithstanding the requirements set forth in subsection d. of section 3 of [P.L.2010, c.57 \(C.48:3-87.1\)](#), shall make a final determination on the application within 90 days of the date a complete application is filed with the board.

History

L. [2010, c. 57](#), § 4, eff. Aug. 19, 2010; amended [2018, c. 21](#), § 1, eff. May 30, 2018.

Annotations

Notes

Amendment Notes

2018 amendment, by Chapter 21, designated former section as a. and added “and the cumulative number of wind turbines approved for the project shall not exceed six” at the end of the second sentence; and added b.

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