



**New Jersey Offshore Wind
Fourth Solicitation
Solicitation Guidance Document
Application Submission for Proposed
Offshore Wind Facilities**

New Jersey Board of Public Utilities

44 S. Clinton Ave, Trenton, NJ

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March 6, 2024

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List of Acronyms and Defined Terms

Alternating Current (“AC”).

Annual OREC Allowance, the maximum quantity of ORECs that the Applicant may sell during each Energy Year.

Applicant, the entity submitting an Application.

Application, a package submitted in response to this Fourth Solicitation encompassing the array of Project options from an Applicant.

Application Form, spreadsheet for presenting summary information and standardized quantitative inputs, including the OREC Purchase Price, with regard to a specific Project submitted as part of an Application in response to this Fourth Solicitation.

Best and Final Offer (“BAFO”).

Board of Public Utilities (“Board” or “BPU”), the agency with authority to oversee the regulated utilities in the State of New Jersey and issuer of this Solicitation Guidance Document (“SGD”).

Cable Vaults, physically-separate, underground vaults (accessible through manhole covers), located at certain distances along the onshore cable route of the PBI, to allow each Qualified Project to install and maintain its own transmission cables without impacting other Qualified Projects’ transmission cables.

Compliance Filing, a filing with the Board made within a timeframe to be specified in the Board Order regarding an award that binds the awardee, and their successors or assignees, to meeting the commitments, as applicable, made by the Qualified Project and approved by the Board.

Contingent Project, a Project submitted in response to this Fourth Solicitation which is contingent upon the outcome of another state’s concurrent offshore wind solicitations.

Duct Bank, the concrete structure between Cable Vaults that houses the necessary number of physically-separate conduits (empty pipes) in which transmission cables can be installed (pulled through, from one point to another):

- Single Duct Banks contain multiple conductors in conduits encased in poured concrete. A duct bank can take on a variety of configurations, but is typically a single encased structure. A duct bank may contain a single or several circuits.
- Multiple Duct Banks are separated single duct banks located adjacent to each other in a right of way.

Energy Year, the 12-month period from June 1 – May 31, numbered according to the year in which such 12-month period ends. For instance, Energy Year 2025 runs from June 1, 2024 through May 31, 2025.

Environmental Protection Plan (“EPP”).

Essential Fish Habitat, those waters and substrate necessary to fish for spawning, breeding, feeding, or growth to maturity.

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Executive Order No. 307 (“EO 307”), the Executive Order Governor Murphy issued on September 22, 2022, that increased New Jersey’s goal for offshore wind energy generation from 7,500 MW by 2035 to 11,000 MW by 2040. This Executive Order further directs the Board to study the feasibility of further increasing the offshore wind goal.

Executive Order No. 8 (“EO 8”), the Executive Order Governor Murphy issued on January 31, 2018, directing the Board and all State agencies with responsibility under OWEDA to “take all necessary action” to fully implement OWEDA and begin the process of moving New Jersey towards a goal of 3,500 MW of offshore wind energy generation by the year 2030.

Executive Order No. 92 (“EO 92”), the Executive Order Governor Murphy issued on November 19, 2019, that increased New Jersey’s goal for offshore wind energy generation from 3,500 MW by 2030 to 7,500 MW by 2035.

First Energy Year, the Energy Year corresponding to the Commercial Operation Date (“COD”) for each proposed phase of a Project.

Fisheries Protection Plan (“FPP”).

Good Utility Practice, the practices, standards, and methods commonly used by electric utilities and related organizations engaged in the transmission of electric energy in the United States. It includes generally accepted practices and designs focused on reliability, robustness, and resiliency of infrastructure, operational excellence, and adherence to professional, regulatory, and community practices. Further definition of this term can be found in the various Open Access Transmission Tariffs used by independent system operators (“ISOs”) and regional transmission organizations (“RTOs”).

Habitat Area of Particular Concern, subsets of essential fish habitats that exhibit one or more of the following traits: rare, stressed by development, provide important ecological functions for federally-managed species, or are especially vulnerable to anthropogenic (or human impact) degradation.

High Voltage Direct Current (“HVDC”).

Larrabee Collector Station (“LCS”), a new substation adjacent to the existing JCP&L Larrabee substation that represents the predominant portion of the Larrabee Tri-Collector Solution.

Larrabee Tri-Collector Solution, Mid-Atlantic Offshore Development, LLC’s (“MAOD”) and Jersey Central Power & Light Company’s (“JCP&L”) jointly submitted proposal selected by the Board for New Jersey’s inaugural offshore wind coordinated transmission solution under PJM’s SAA. This Tri-Collector solution includes three circuits, providing 3,742 MW to the LCS.

New Jersey Department of Environmental Protection (“NJDEP”).

New Jersey Economic Development Authority (“NJEDA”).

New Jersey Wind Port (“NJWP”), marshalling and manufacturing port located on the eastern shore of the Delaware River in Lower Alloways Creek, Salem County, New Jersey that will serve offshore wind projects.

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Offshore Transmission Network (“OTN”), an interconnected offshore transmission system in which individual offshore platforms are linked by submarine cables to create a means for power to flow between adjacent offshore platforms in addition to HVDC cables connecting the offshore platforms to the onshore transmission network.

Offshore Wind Economic Development Act (“OWEDA”), N.J.S.A. 48:3-87.1 et seq.

Offshore Wind Renewable Energy Certificate (“OREC”), as defined in N.J.A.C. 14:8-6.1, a certificate issued by the Board or its designee, representing the environmental attributes of one megawatt hour of electric generation from a Qualified Project.

OREC Purchase Price, an amount which reflects the total capital and operating cost for a particular Qualified Project over a 20-year period, including the cost of equipment, taxes, construction, operation, and maintenance, debt service costs and return on equity assumptions, and depreciation assumptions, offset by any Federal Investment or Production Tax Credit, state tax credit, or other subsidies or grants.

PJM Interconnection, L.L.C. (“PJM”), the regional transmission organization that coordinates the dispatch of wholesale electricity and the operation of the bulk electric system in all or parts of 13 states and the District of Columbia, including New Jersey.

Point of Interconnection (“POI”).

Prebuild or Prebuild Infrastructure (“PBI”), a concept that requires the construction of the necessary Duct Banks and Cable Vaults to be occupied by the transmission cables for one or more Qualified Projects utilizing the Larrabee Tri-Collector Solution. For clarity, the Prebuild involves only the necessary infrastructure (Duct Banks and Cable Vaults) to house the transmission cables, but not the cables themselves.

Project, a wind turbine electric generation facility in the Atlantic Ocean within lease areas designated by the United States Bureau of Ocean Energy Management (“BOEM”) and connected to the transmission system in New Jersey, including the associated transmission-related interconnection facilities and equipment, submitted in response to this Fourth Solicitation.

Qualified Offshore Wind Project (“Qualified Project”), a wind turbine electricity generation facility in the Atlantic Ocean and connected to the electric transmission system in this State, including the associated transmission-related interconnection facilities and equipment, approved by the Board pursuant to section 3 of P.L. 2010, c. 57 (N.J.S.A. 48:3-87.1) and N.J.S.A. 48:3-51.

Rate Counsel, the New Jersey Division of Rate Counsel.

Re-Bid Project, a Project that has been selected as a Qualified Project in the First Solicitation or Second Solicitation and/or includes occupation of the associated lease area or portion of such lease area identified for use by Qualified Projects selected in the First Solicitation or Second Solicitation.

Research and Monitoring Initiative (“RMI”), initiative administered by NJDEP and BPU that seeks to employ a rigorous scientific approach to research and monitoring to assess the impact on marine and

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coastal resources from the development, construction, operation and decommissioning of offshore wind projects as recommended in the 2020 New Jersey Offshore Wind Strategic Plan.¹

Sea Girt National Guard Training Center (“Sea Girt NGTC”), facility in Sea Girt, Monmouth County, New Jersey where Qualified Projects utilizing the PBI are required to make landfall.

Small, Minority, Woman, or Veteran-owned Business Enterprise (“SMWVBE”), sole proprietorship, partnership, joint venture or corporation that meets certain requirements and is registered with the State.

Solicitation Website, <https://www.njoffshorewind.com/fourth-solicitation>, website for information regarding this Fourth Solicitation and the main point of information exchange between the BPU and potential Applicants.

State Agreement Approach (“SAA”), as set out in PJM’s Operating Agreement, Section 1.5.9(a) of Schedule 6, the authorization of states, to select and include transmission facilities in PJM’s Regional Transmission Expansion Plan (“RTEP”) to solve public policy needs identified by each of those states, and to voluntarily accept allocation of all associated costs.

State Agreement Approach Capability (“SAA Capability”), as set out in the FERC-approved PJM Rate Schedule 49 § 1.2, all transmission capability created by approved SAA solutions as studied by PJM, including the capability to integrate resources injecting energy up to their maximum facility output, capability which may become CIRs through the PJM interconnection process, and any other capability as consistent with studies performed by PJM for the SAA.

State Agreement Approach Order (“SAA Order”), In the Matter of Declaring Transmission to Support Offshore Wind a Public Policy of the State of New Jersey, BPU Docket No. QO20100630, Order dated Oct. 26, 2022.

Tier 1 manufacturing facility, a facility that contracts with an Applicant for a major contract package or component, such as turbines, blades, towers, foundations, submarine cables, etc.

Tier 2 supplier, secondary supplier who contracts with a Tier 1 manufacturing facility as subcontractor or vendor.

Transmission System Upgrade Costs (“TSUC”).

Transmission System Upgrade Costs Price Adder (“TSUCPA”).

¹ Ramboll US Corporation, New Jersey Offshore Wind Strategic Plan (September 2020), https://www.nj.gov/bpu/pdf/Final_NJ_OWSP_9-9-20.pdf.

1 INTRODUCTION AND OVERVIEW OF THE OREC PROGRAM

To meet New Jersey’s clean energy goals, and to implement Governor Phil Murphy’s vision of making New Jersey a leading hub of offshore wind development, the Board of Public Utilities (“BPU” or “Board”) hereby announces that it is soliciting Applications to secure Offshore Wind Renewable Energy Certificates (“ORECs”) targeting at least 1,200 MW and up to approximately 4,000 MW of capacity. The Board reserves the right to award less than 1,200 MW or more than 4,000 MW of capacity if circumstances warrant. The Board seeks to promote robust competition in this Fourth Solicitation and future solicitations to support the continued development of the offshore wind industry in New Jersey.

A proposed Project, such as those submitted in response to this Fourth Solicitation, becomes a Qualified Project once it has been approved by the BPU.² An Applicant may submit multiple Projects in an Application, as long as the Applicant clearly specifies each Project’s distinct parameters, including but not limited to the specific configuration of the wind turbine electric generation facility, its associated design elements, and its components.

This Solicitation Guidance Document (“SGD”) includes information on the timeline and mechanics of the Fourth Solicitation (Section 2), the Application requirements (Section 2.6), and the criteria for evaluating Applications (Section 4).

1.1 Background

New Jersey Governor Phil Murphy signed Executive Order No. 8 (“EO 8”) on January 31, 2018.³ The purpose of EO 8 was to reinvigorate the implementation of the State’s Offshore Wind Economic Development Act (“OWEDA” or the “Act”).⁴ Noting that New Jersey possesses “some of the best offshore wind resources in the world,” Governor Murphy affirmed the Garden State’s commitment to “combat the threat of global climate change” to protect New Jersey and also “provide reliability and relief for the regional electric grid, which is the largest, most congested and most costly in the nation.”⁵ Moreover, the Governor saw that “an aggressive offshore wind energy production goal” could result in the State housing key parts of the offshore wind supply chain for the Atlantic Coast, which would “contribute to a stronger New Jersey economy.”⁶ To this end, in EO 8, Governor Murphy set a “goal of 3,500 MW of offshore wind energy generation by the year 2030.”⁷

² N.J.A.C. 14:8-6.1.

³ See Exec. Order No. 8 (Jan. 31, 2018), 50 N.J.R. 887(a) (Feb. 20, 2018); Executive Order No. 92 and Executive Order No. 307 each increased the State’s offshore wind goal, as discussed herein; Exec. Order No. 92 (Nov. 19, 2019), 51 N.J.R. 1817(b) (Dec. 16, 2019) (“EO 92”); Exec. Order No. 307 (Feb. 15, 2023), 54 N.J.R. 1945(a) (Oct. 17, 2022) (“EO 307”). All other provisions of EO 8 remained in full force and effect.

⁴ N.J.S.A. 48:3-87.1 to -87.2., L. 2010, c. 57, effective Aug. 19, 2010; amended by 2019 c. 440, §2, effective Jan. 21, 2020; 2021, c.178, §1, effective July 22, 2021.

⁵ EO 8.

⁶ Id.

⁷ Id.

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As required by OWEDA, the Board adopted rules that provided an application process and evaluation framework for wind turbine electric generation facilities.⁸ EO 8 also directed the BPU to begin the rulemaking process to establish the OREC Funding Mechanism.⁹ The rules that were promulgated set forth the method and processes by which New Jersey ratepayers fund offshore wind projects and how revenues from these projects are refunded to ratepayers.¹⁰ In September 2018, the BPU issued a solicitation for 1,100 MW of offshore wind energy generation (“First Solicitation”).¹¹ In June 2019, the BPU approved an Application for a 1,100 MW offshore wind generation project submitted by Ocean Wind LLC.¹²

On November 19, 2019, Governor Murphy signed Executive Order No. 92 (“EO 92”), increasing the State’s offshore wind energy generation goal to 7,500 MW by 2035.¹³ Governor Murphy found that as a result of efforts by the State following the issuance of EO 8, “offshore wind development is a growing economic sector in the State with increases in supply chain presence, private investment in ports, workforce development efforts, and research and development for offshore wind industry and labor.”¹⁴ Governor Murphy found that expanding the offshore wind goal will ensure that the State can “meet the State’s goals of 50 percent renewable energy by 2030 and 100 percent clean energy by 2050, in addition to creating a significant number of good-paying jobs.”¹⁵

On September 9, 2020, the BPU issued a solicitation for 1,200 to 2,400 MW of offshore wind generation (“Second Solicitation”). On June 30, 2021, the BPU approved Applications for a 1,510 MW project submitted by Atlantic Shores Offshore Wind Project 1, LLC¹⁶ and a 1,148 MW project submitted by Ocean Wind II, LLC.¹⁷

On February 28, 2022, the BPU announced an updated offshore wind solicitation schedule to meet the 7,500 MW goal by 2035.¹⁸ This updated schedule included revising the Third Solicitation schedule to

⁸ N.J.A.C. 14:8-6.1 et seq.

⁹ See N.J.A.C. 14:8-6.6.

¹⁰ Id.

¹¹ In the Matter of the Opening of Offshore Wind Renewable Energy Certificate (OREC) Application Window for 1,100 Megawatts of Offshore Wind Capacity in Furtherance of Executive Order No. 8, BPU Docket No. QO18080851, Order dated September 17, 2018 (“Sept. 17, 2018 Order”).

¹² 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, Order dated June 21, 2019 (“June 21, 2019 Order”).

¹³ See EO 92.

¹⁴ Id.

¹⁵ Id.

¹⁶ In the Matter of the Board of Public Utilities Offshore Wind Solicitation 2 for 1,200 to 2,400 MW – Atlantic Shores Offshore Wind Project 1, LLC, BPU Docket No. QO21050824, Order dated June 30, 2021 (“Atlantic Shores 1 June 2021 Order”). In the Atlantic Shores 1 June 2021 Order, the specific amount awarded is 1,509.6 MW. That number has been rounded here for ease of reference. Id. at 1.

¹⁷ In the Matter of the Board of Public Utilities Offshore Wind Solicitation 2 for 1,200 to 2,400 MW – Ocean Wind II, LLC, BPU Docket No. QO21050825, Order dated June 30, 2021 (“Ocean Wind II June 2021 Order”).

¹⁸ BPU, New Jersey Updates Schedule for Third Offshore Wind Solicitation (Feb. 28, 2022), <https://www.nj.gov/bpu/newsroom/2022/approved/20220228.html>.

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accommodate the integration of the SAA coordinated transmission solution and to allow the developers who successfully bid for new lease areas in the New York Bight sufficient time to further develop their proposed projects, including the establishment of stakeholder and supply chain relationships.¹⁹

On September 21, 2022, Governor Murphy signed Executive Order No. 307 (“EO 307”), increasing the State’s offshore wind goal from 7,500 MW by 2035 to 11,000 MW by 2040 and directing the Board to study the feasibility of increasing the target further.²⁰

On October 26, 2022, the Board issued the SAA Order, where it found the Larrabee Tri-Collector Solution to be the most desirable SAA solution at this time.²¹

On February 15, 2023, Governor Murphy signed Executive Order No. 315 (“EO 315”), changing New Jersey’s renewable energy goal from 50 percent renewable energy by 2030 and 100 percent clean energy by 2050 to 100 percent clean energy by 2035.²²

On March 6, 2023, the BPU issued a solicitation for 1,200 to 4,000 MW of offshore wind generation (“Third Solicitation”).²³ On June 7, 2023, the Board extended the Application Submission Deadline for the Third Solicitation to August 4, 2023.²⁴

On October 25, 2023, the Board rejected the PBI proposals that were submitted as part of the Third Solicitation, finding that the PBI being awarded to a developer who also receives an award as a Qualified Offshore Wind Project represented an unreasonable risk to New Jersey ratepayers and directing Board staff (“Board Staff”) to develop a separate PBI solicitation.²⁵

On November 17, 2023, the Board issued a PBI solicitation and the Prebuild Solicitation Guidance Document in which it “explained that the Prebuild envisioned a single construction effort to install the necessary Duct Banks and associated access Cable Vaults to house transmission Conduits for future use of up to four (4) OSW Qualified Projects, thereby enabling these projects to access the wholesale

¹⁹ BOEM held its commercial lease auction for the New York Bight on February 23, 2022, during which six (6) leases were awarded. See New York Bight – Leasing History – Commercial Leases, <https://www.boem.gov/renewable-energy/state-activities/new-york-bight>.

²⁰ See EO 307.

²¹ See SAA Order. The Larrabee Tri-Collector Solution is a transmission solution Mid-Atlantic Offshore Development, LLC (“MAOD”) and Jersey Central Power & Light Company (“JCP&L”) jointly submitted. Id. at 2. The Larrabee Tri-Collector Solution is a “tri-collector” that distributes up to 4,890 MW from the LCS to three existing POIs on PJM’s grid, specifically, the Smithburg 500 kV substation, the Larrabee 230 kV substation, and the Atlantic 230 kV substation, using JCP&L’s existing transmission rights of way. Id. at 60.

²² Exec. Order No. 315 (Feb. 15, 2023), 55 N.J.R. 509(a) (March 20, 2023).

²³ In the Matter of the Opening of New Jersey’s Third Solicitation for Offshore Wind Renewable Energy Certificates (ORECs), BPU Docket NO. QO22080481, Order dated March 6, 2023. See also BPU, New Jersey Offshore Wind Solicitation – Solicitation Guidance Document – Application Submission for Proposed Offshore Wind Facilities (March 6, 2023).

²⁴ In the Matter of the Opening of New Jersey’s Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order dated June 7, 2023.

²⁵ In the Matter of the Opening of New Jersey’s Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order dated October 25, 2023.

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transmission system. . . .²⁶ Any project awarded through the Prebuild Solicitation will be submitted to PJM for incorporation into the RTEP, and will also be submitted for cost recovery through the cost allocation provisions for Public Policy Projects, approved by FERC. The Prebuild Solicitation Application Submission Deadline is April 3, 2024, and an award is expected in Q3 2024.

On November 29, 2023, Governor Murphy directed the BPU to issue the Fourth Solicitation in early 2024 as a reaffirmation of New Jersey's commitment to achieving a 100% clean energy economy by 2035, including the critical importance of the State's supply chain facilities to the regional offshore wind industry.²⁷

On January 24, 2024, the Board approved the Application for the 2,400 MW Leading Light Wind project submitted by Invenergy Wind Offshore LLC.²⁸ On January 24, 2024, the Board also approved the 1,342 MW Attentive Energy Two project submitted by Attentive Energy LLC.²⁹ The Board awarded these projects the full SAA capability of the Larrabee Tri-Collector Solution.

The BPU solicitation schedule to meet the 11,000 MW offshore wind energy generation by 2040 goal is shown in Table 1 below.

²⁶ In the Matter of the Opening of a Solicitation for a Transmission Infrastructure Project to Support New Jersey's Offshore Wind Public Policy, BPU Docket No. QO23100719, Order dated November 17, 2023; BPU, New Jersey Offshore Wind Prebuild Infrastructure Solicitation, Solicitation Guidance Document, Application Submission for Proposed Prebuild Infrastructure Project (November 17, 2023) at 1, <https://www.njoffshorewind.com/prebuild-solicitation/solicitation-documents/Final-Solicitation-Guidance-Document.pdf>.

²⁷ State of New Jersey, Governor Murphy Directs New Jersey Board of Public Utilities to Accelerate New Offshore Wind Solicitation (Nov. 29, 2023), <https://www.nj.gov/governor/news/news/562023/approved/20231129a.shtml>.

²⁸ In the Matter of the Opening of New Jersey's Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order dated January 24, 2024 ("Leading Light Wind January 2024 Order"). The Leading Light Wind January 2024 Order approves the Leading Light Wind 2,400 MW Project as a Qualified Offshore Wind Project. Id.

²⁹ In the Matter of the Opening of New Jersey's Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order dated January 24, 2024 ("Attentive Energy Two January 2024 Order"). The Attentive Energy Two January 2024 Order approves the Attentive Energy Two 1342 MW Project as a Qualified Offshore Wind Project. Id.

Table 1. Offshore Wind Solicitation Schedule for New Jersey through 2040

Solicitation	Minimum Capacity Target (MW)*	Capacity Awarded (MW)	Issue Date	Submittal Date	Award Date	Estimated COD
1	1,100	1,100	Q3 2018	Q4 2018	Q2 2019	2024-25
2	1,200 – 2,400	2,658	Q3 2020	Q4 2020	Q2 2021	2027-29
3	1,200 – 4,000	3,742	Q1 2023	Q2 2023	Q4 2023	2031-32
4	1,200 – 4,000*		Q2 2024	Q3 2024	Q4 2024	2032
5	1,200 – 4,000**		Q3 2026	Q4 2026	Q2 2027	2034
6	1,200 – 4,000**		Q3 2028	Q4 2028	Q2 2029	2036
7	1,200 – 4,000**		Q3 2030	Q4 2030	Q2 2031	2038
Total Awarded + Target	11,000					

*The Board may award projects above or below the target

**To be adjusted based on previous solicitation awards

This SGD explicitly draws from OWEDA (Attachment 4 herein) and the Application requirements set forth in N.J.A.C. 14:8-6.1 et seq. (Attachment 5 herein).

1.2 Overview of the Solicitation

ORECs, as defined in N.J.A.C. 14:8-6.1, are certificates the Board issues that represent the environmental attributes of one megawatt hour (“MWh”) of electric generation from a Qualified Project. For each MWh delivered to the grid, a Qualified Project will be credited with one OREC. For each OREC, the Qualified Project will be paid the Board-approved OREC Purchase Price, an amount which reflects the total capital and operating cost for the Qualified Project over a 20-year period, including costs of equipment, construction, financing, operations and maintenance, and taxes, offset by any State or Federal tax credits and other subsidies or grants.³⁰ The OREC Purchase Price will be fixed for each year over the first 20 years of the Qualified Project’s commercial operation. A Project may propose multiple phases. Each phase of a Qualified Project will have a 20-year term, and the same OREC Purchase Price will apply to all phases of a Qualified Project during a given Energy Year. Once the BPU approves one or more Qualified Projects, the BPU will establish a statewide OREC purchase requirement for future Energy Years³¹ in an amount to support the output of all Qualified Projects during their respective 20-year OREC terms. This output will be an offset to existing New Jersey Class I renewable energy requirements.³²

³⁰ N.J.A.C. 14:8-6.5(a)(12)(vii).

³¹ N.J.A.C. 14:8-6.1.

³² “Class I renewable energy” includes electricity derived from solar, wind, wave and tidal action, geothermal, combustion of methane gas captured from a landfill, fuel cell powered by methanol, ethanol, landfill gas, digester gas, biomass gas, or other renewable fuel, or combustion of gas from the anaerobic digestion of food waste and sewage sludge at a biomass generating facility. See N.J.S.A. 48:3-51. See also N.J.A.C. 14:8-2.5(b)(3).

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A Qualified Project may sell ORECs up to the Board-approved maximum quantity during each Energy Year. This quantity, paid to the Qualified Project during each year of its 20-year life, is called the “Annual OREC Allowance.”³³ Each OREC has a qualification life of three (3) years, the Energy Year in which it is produced and the two (2) Energy Years that follow up thereafter.³⁴ Accordingly, ORECs are eligible to be sold in the Energy Year in which they are generated as well as during the following two (2) Energy Years. If the Qualified Project falls short of its Annual OREC Allowance in a particular Energy Year, such shortfall may be added to the following Energy Year’s Annual OREC Allowance. Over the 20-year OREC term, the three (3)-year OREC qualification life provides reasonable assurance to offset an energy shortfall in a given Energy Year, so that the Applicant will be given the opportunity to realize the Qualified Project’s full, approved Annual OREC Allowance.

1.3 Pricing Structure

Per N.J.A.C. 14:8-6.5(a)(12)(iv), OREC pricing will be on a pay-for-performance basis. Payments will be made on a \$/MWh basis, subject to the Annual OREC Allowance described above.³⁵ The Applicant is responsible for any Qualified Project cost overruns.³⁶ Ratepayers will not be responsible for any costs associated with non-performance that an Applicant incurs with respect to its Qualified Project.³⁷

With respect to any proposed Project, the burden remains on the Applicant to propose an OREC price and schedule.³⁸ The OREC pricing proposal shall specify the nameplate capacity, expected energy output, and assumed capacity factor for the proposed Project, along with the number of ORECs that the Project will produce.³⁹ The OREC pricing proposal shall represent the calculation of the OREC price based on the total revenue requirements of the Project over a 20-year period, including the cost of equipment, taxes, construction, operation, and maintenance, debt service costs, return on equity, and depreciation, offset by any Federal Investment Tax Credit or Production Tax Credit, state tax credit, or other subsidies or grants.⁴⁰ Applicant must propose a price per OREC (MWh) that makes the Project commercially viable.⁴¹ The value of the wholesale products administered by PJM associated with the ORECs shall not be deducted when calculating the OREC price. The Board will then accept, modify, or reject the Applicant’s proposed OREC price.⁴²

³³ Id.

³⁴ Id. See also N.J.A.C. 14:8-6.6(a)(5). This timing allows the OREC to be banked for future use.

³⁵ Unless otherwise specified, all dollar amounts specified in this Solicitation Guidance Document shall be in U.S. dollars.

³⁶ N.J.A.C. 14:8-6.5(a)(12)(iv). Qualified Project cost overruns shall include greater than anticipated costs to complete the project, but for this Fourth Solicitation do not include any potential cost overruns associated with construction of the Board approved SAA projects.

³⁷ Id.

³⁸ N.J.A.C. 14:8-6.5(a)(12).

³⁹ N.J.A.C. 14:8-6.5(a)(12)(viii)(5)-(7).

⁴⁰ N.J.A.C. 14:8-6.5(a)(12)(viii)(1)-(4).

⁴¹ N.J.A.C. 14:8-6.5(a)(12)(viii)(8).

⁴² N.J.A.C. 14:8-6.5(a)(12)(iii).

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For each Project, the Applicant must propose a fixed, flat OREC price for the proposed term or a fixed price for every contract year, based on a fixed First Energy Year price and a fixed annual escalator, that will be payable for each MWh produced by the Project up to the Annual OREC Allowance.⁴³ Note, the fixed annual escalator would be independent of the inflation adjustment mechanism described below. The OREC Purchase Price for any Project utilizing the PBI should not include the cost of constructing the Duct Banks or Cable Vaults for the Project that will be constructed as part of the PBI.

The submitted OREC pricing for each Project will be adjusted for inflation on the date that is three (3) years before the proposed COD for the first phase of the Project, as submitted in the Application. The inflation adjustment will use the following mechanism, with the adjustment multiplier calculated to one decimal place:

$$OREC_{inf} = OREC_{base} \times \sum \frac{Index_{M,i}}{Index_{I,i}} \times F_i$$

where:

$OREC_{inf}$ is the First Energy Year OREC price after inflation adjustment as calculated on the date that is three years before the proposed COD for the first phase of the Project as submitted in the Application;

$OREC_{base}$ is the First Energy Year OREC price before inflation adjustment as bid;

$Index_{M,i}$ is the average index value for price component i over the twelve months prior to date that is three years before the proposed COD for the first phase of the Project as submitted in the Application;⁴⁴

$Index_{I,i}$ is the average index value for price component i over the twelve months prior to the BAFO Submission Deadline;⁴⁵ and

F_i is the fraction of the OREC price associated with price component i , such that $\sum F_i = 1$.

The change in $OREC_{base}$ due to the inflation adjustment will be limited to 15%, that is, it will be neither increased nor decreased more than 15%, even if a larger adjustment is indicated by the index values. The indices may be unitless values or commodity prices. The indices that will be included in the adjustment formula, and their F values, or weighting factors, are shown in Table 2.

⁴³ Id. For clarity, a contract year for a Project need not be the same as a particular Energy Year, such that a contract year may span a portion of more than one Energy Year.

⁴⁴ The $Index_{M,i}$ values will be calculated using the data that is available on the date that is three years before the proposed COD for the first phase of the Project as submitted in the Application, regardless of whether any of the values are preliminary.

⁴⁵ The anticipated BAFO Submission Deadline is set forth in "Table 3: Fourth Solicitation Timeline" herein.

Table 2. Components and Indices for Inflation Adjustment

Component	F Value	Index
Fixed	0.2	N/A
Labor (unitless index)	0.2	BLS Employment Cost Trends Data Series CES2000000003 Average hourly earnings of all employees, construction, seasonally adjusted
Fabrication (unitless index)	0.3	BLS PPI Data Series PCU811310811310 PPI industry data for Commercial machinery repair and maintenance, not seasonally adjusted
Steel (unitless index)	0.2	BLS PPI Data Series PCU331110331110 PPI industry data for Iron and steel mills and ferroalloy manufacturing, not seasonally adjusted
Fuel (US\$ per barrel)	0.1	U.S. Energy Information Administration WTI-Cushing Oklahoma, daily price for the last trading day of the month

In return for the sale of ORECs, Qualified Projects are required to return to ratepayers the value of electric energy, capacity payments, ancillary services revenue, and any other environmental attributes or other benefits or other funding not previously identified in the Application and not included in the Applicant’s OREC Purchase Price derivation, including, but not limited to, tax credits, subsidies, and grants.⁴⁶ Applicants are required to exercise reasonable efforts to maximize revenues ascribable to the sale of these products, including any other environmental benefits, through ongoing active participation in PJM’s wholesale market.

Tax credits that are greater than what were projected and included in the OREC Purchase Price that are the result of increased Project cost basis, can be retained by the developer and not returned to ratepayers (Example 1 below). Tax credits that are greater than what were projected and included in the OREC Purchase Price that are the result of increased tax incentive rates are to be returned to ratepayers (Example 2 below). Example 3 below is provided to show the disposition of incremental tax credits where cost basis and incentive rate are both increased compared to those at submittal.

Table 3. Incremental Tax Credit Treatment

	Projected at Submittal	Actual (Example 1)	Actual (Example 2)	Actual (Example 3)
ITC Cost Basis	\$1,000	\$1,100	\$1,000	\$1,100
ITC Rate	30%	30%	40%	40%
Credit Amount	\$300	\$330	\$400	\$440
Amount Retained by Developer	\$300	\$330	\$300	\$330
Amount Returned to Ratepayers	\$0	\$0	\$100	\$110

⁴⁶ N.J.A.C. 14:8-6.5(a)(12)(ix). Note, an Applicant may propose that it retain up to 25% of incremental energy revenues if the project’s energy sales exceed those associated with the sale of ORECs. Id.

1.4 Transmission and Interconnection Requirements

Each Application submitted in response to the Fourth Solicitation must include at least one Project option that utilizes an HVDC export cable, the PBI and SAA Capability, as discussed in more detail in Section 3.13 herein. A Project that was selected as a Qualified Project in the First Solicitation or Second Solicitation and/or include occupation of the associated lease area or a portion of such lease area identified for use by a Qualified Project selected in the First Solicitation or Second Solicitation may submit Project options utilizing the PBI and SAA Capability, but such Project is not required to do so. Each Application must include at least one Project option that does not utilize the PBI and SAA Capability, instead including a radial export cable to an alternate point of interconnection (“POI”). Project options that connect at an alternate POI can utilize either HVAC or HVDC export cables.

1.5 Contingencies Related to Other States’ Concurrent Solicitations

The Board encourages Applicants to submit Applications and Projects that do not include contingencies. However, the Board recognizes that Applicants may have, prior to the Application Submission Deadline, submitted an offshore wind proposal in response to another state’s concurrent offshore wind solicitation, and that without allowing contingencies it may hinder Applicants’ ability to successfully develop a specific Project for New Jersey for submittal in this Fourth Solicitation. To enable increased competition in this Fourth Solicitation, Applicants are permitted to submit one or more Projects that are contingent on the outcome of other offshore wind solicitations (each, a “Contingent Project”), subject to the conditions provided below.

A Contingent Project is subject to the following conditions:

- (i) It must be explicitly identified in the Application, along with the name of the other state’s concurrent offshore wind solicitation upon which the Contingent Project is contingent;
- (ii) The Applicant must notify Board Staff that a Contingent Project should be removed from consideration no later than three (3) business days after receiving notice of an award from another state;⁴⁷
- (iii) The Applicant must notify Board Staff no later than the BAFO Submission Deadline whether a Contingent Project should be removed from consideration even if Applicant has not been notified of selection for negotiation of a contract by another state prior to that date;
- (iv) In the event that Board Staff learns from a source other than the Applicant that such Applicant’s Contingent Project has been selected for negotiation of a contract by another state absent notification from such Applicant, Board Staff, in its sole discretion, may terminate consideration of that Applicant’s Contingent Project(s) without notifying Applicant;
- (v) An Applicant’s withdrawal of a Contingent Project submitted to the Board, or Board Staff’s termination of consideration of a Contingent Project as a result of condition (iv) above, will not result in the return of any portion of the Application Deposit submitted by the Applicant; and,

⁴⁷ A “business day” means any day in which normal business operations are conducted between the hours of 9 a.m. to 5 p.m. New York time, Monday through Friday. Business days do not include weekends or any public holiday observed in New Jersey.

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- (vi) The submission of a Contingent Project will not confer on the Applicant any additional rights and privileges not otherwise incorporated in the SGD.

Applicants agree to these conditions by signing the required Applicant Commitment Form.

1.6 Applications from Projects Previously Selected as Qualified Projects

In the Fourth Solicitation, the Board will provide a limited opportunity for Applicants to submit Applications for Re-Bid Projects, Projects that were selected as Qualified Projects in the First Solicitation or Second Solicitation, subject to certain conditions. Any Applications received by the Board that propose occupation of the associated lease area or portion of such lease area identified for use by Qualified Projects selected in the First Solicitation or Second Solicitation will also be considered Re-Bid Projects subject to the conditions in this Section 1.6.

For an Applicant submitting an Application for a Re-Bid Project in the Fourth Solicitation, the guidelines listed below apply. The policies described herein are based on unique current circumstances and are not expected to apply to future offshore wind solicitations.

- For any Re-Bid Project eligible for selection as a Qualified Project in the Fourth Solicitation pursuant to this Section 1.6 but not selected, the Qualified Project(s) occupying the associated lease area or portion of such lease area included in the Re-Bid Project will have its prior selection as a Qualified Project in the First Solicitation or Second Solicitation, as applicable, terminated by consent. Similarly, if a Re-Bid Project is selected as a Qualified Project in the Fourth Solicitation, the First Solicitation or Second Solicitation Qualified Project(s) occupying the associated lease area or portion of such lease area included in the Re-Bid Project will have its prior selection as a Qualified Project terminated by consent. The Applicant of the Re-Bid Project, and as may be necessary if different, the applicable First or Second Solicitation Qualified Project, agree to waive any and all objections to such termination, and to execute such documents as may be reasonably necessary to effectuate termination by consent.
- No Re-Bid Project proposing to utilize all or part of BOEM Lease Area OCS-A-0498 or BOEM Lease Area OCS-A-0532 will be selected as a Qualified Project in the Fourth Solicitation or be eligible for termination by consent of a First Solicitation or Second Solicitation Qualified Project as described above unless and until all outstanding disputes regarding Qualified Projects from the First Solicitation and Second Solicitation that utilize such lease area(s) are resolved to the Board's satisfaction.
- The Applicant submitting the Re-Bid Project must maintain the Tier 1 funding and sourcing commitments associated with the original Qualified Project(s) unless the Applicant explains why a different sourcing commitment increases or otherwise improves the quality of the Economic Benefits associated with the original Qualified Project(s), i.e., the proposed Tier 1 funding and sourcing commitments better align with the desired economic benefits outlined in Section 3.8.
- The Board strongly encourages the Applicant submitting the Re-Bid Project to maintain other supply chain funding, workforce development or miscellaneous economic benefits previously submitted to the Board. If the Applicant modifies such previously submitted commitments, such Applicant must explain why a modification of these prior commitments better aligns with the desired economic benefits outlined in Section 3.8.

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- If a Re-Bid Project is selected as a Qualified Project, the Applicant will need to provide Re-Bid Commitment Security of \$100,000,000 in the form of an irrevocable letter of credit, as described in Section 2.6.
- The Applicant must provide a justification for re-submitting the Re-Bid Project for consideration, as described in Section 3.1.
- For any Re-Bid Projects with proposed or contingent Project sales or transfers, distinct from considerations related to Contingent Projects, Applicants should provide information on the terms of sale, as described in Section 3.1. Applicants must provide the same information for the entities that may own and invest in the Re-Bid Project following the proposed or contingent Project sale or transfer that is required to be provided for the current owners and investors of the Re-Bid Project. Representatives of both the current and potential future owners should participate in the pre-Application meetings required per Section 2.4.
- For the Re-Bid Project's economic impact guarantees, the Applicant may include spending from the date of the applicable First Solicitation board award order or Second Solicitation board award order that selected the original Qualified Project.⁴⁸ If the Applicant elects to include such spending, the Applicant must also submit documentation and sufficient evidence proving that such expenditures occurred.
- Any Re-Bid Project Applicant is exempt from the requirement to submit a Project option that utilizes an HVDC export cable, the PBI, and SAA Capability if the Re-Bid Project uses the POI associated with the original First Solicitation or Second Solicitation Qualified Project, as described in Section 3.13, but may nevertheless propose a Project option that utilizes an HVDC export cable, the PBI, and SAA Capability if the Applicant so chooses.
- Any such Re-Bid Project may propose the reutilization of the prior POI(s) associated with the original First Solicitation or Second Solicitation Qualified Project, but may also propose an alternative POI, as described in Section 3.13.

Except as modified in this Section 1.6, Re-Bid Projects shall comply with all other terms, conditions, and requirements enumerated in the SGD.

2 TIMELINE AND MECHANICS OF THE SOLICITATION

2.1 Timeline for Submission and Evaluation

The timeline for this Fourth Solicitation is shown below, in Table 4.

⁴⁸ Specifically, the applicable Board Orders consist only of the June 21, 2019 Order with respect to the First Solicitation, as well as the Atlantic Shores 1 June 2021 Order and the Ocean Wind II June 2021 Order with respect to the Second Solicitation.

Table 4. Fourth Solicitation Timeline

Event	Date⁴⁹
Board Consideration of Solicitation	Q2 2024
Solicitation Issued	Q2 2024
Bidders’ Conference for all prospective Applicants	Q2 2024
Deadline for prospective Applicants to Submit Questions	Q2 2024
Deadline for prospective Applicants to Participate in Pre-Application Meetings with Board Staff and Rate Counsel, NJDEP and NJEDA	Q2 2024
Notice of Intent to Respond Submitted	Q2 2024
Application Submission Deadline	Q3 2024
Administrative Completeness Determination Deadline	Q3 2024
BAFO Submission Deadline	Q4 2024
Board Decision on Submitted Applications	Q4 2024
Post-Application Meeting (if requested by an Applicant)	Q1 2025

2.2 Website and Bidders’ Conference

The BPU created a [website](#) for this Fourth Solicitation (“Solicitation Website”).⁵⁰ The Solicitation Website will host all Fourth Solicitation documents and serve as the main point of information exchange between the BPU and potential Applicants. Stakeholders can subscribe to solicitation-related announcements by e-mailing njoffshorewind@levitan.com with the subject “Subscribe” and providing the name, affiliation, and e-mail address of each person who should receive announcements. Solicitation Website updates will include notifications of posted Questions and Answers (“Q&A”).

Stakeholders can also find information related to the Fourth Solicitation using the Board’s Public Document Search tool under Docket No. QO24020109.⁵¹ Stakeholders can also subscribe to Fourth Solicitation updates posted in the Docket through the [Public Document Search tool](#). Updates will include notifications of notices released by the Board, comments received (if public), and Board Orders.

A Bidders’ Conference will be held for all prospective Applicants via webinar. Prospective Applicants must register for the Bidders’ Conference no later than 5:00 pm EDT on [DATE TBD] by e-mailing njoffshorewind@levitan.com. Once registered, prospective Applicants will receive an e-mail confirmation and webinar link.

During the Bidders’ Conference, Board Staff will review key details of the Fourth Solicitation, including Application requirements and evaluation criteria. An agenda and any additional details on the Bidders’ Conference will be released prior to the Bidders’ Conference.

⁴⁹ Upon final issuance of the SGD, this table will be updated with specific dates.

⁵⁰ See BPU, New Jersey Offshore Wind Solicitation #4, <https://www.njoffshorewind.com/fourth-solicitation/>.

⁵¹ See BPU, Public Document Search, https://publicaccess.bpu.state.nj.us/CaseSummary.aspx?case_id=2112697.

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To ensure that all Applicants have the same information, a Q&A page will be established on the Solicitation Website.⁵² At the Bidders' Conference, Board Staff may verbally respond to questions that are submitted in advance of the Bidders' Conference. Applicants will have the opportunity to submit questions during the Bidders' Conference, which may be answered in real-time or deferred to written responses on the Q&A page of the Solicitation Website. Only written responses on the Q&A page of the Solicitation Website will constitute official guidance. Written responses to questions submitted through the Solicitation Website or during the Bidders' Conference will be posted to the Solicitation Website and will be available to all Applicants. Names and other identifying details of persons submitting questions will be removed from the submitted questions to maintain confidentiality.

The Board retains the right to amend this SGD if needed, at any time and without notice. Any such amendment(s) will be posted to the Solicitation Website.

2.3 Application Submission

Applications must be submitted by the Application Submission Deadline shown in Table 4. Prospective Applicants must e-mail njoffshorewind@levitan.com no later than 5:00 p.m. EDT 30 days prior to the Application Submission Deadline with the subject line "Notice of Intent to Respond" and identify the specific Applicant, a primary contact person and a secondary contact person and their contact information (name, title, e-mail address, and phone number). While submitting a Notice of Intent to Respond does not bind the Applicant to submit an Application, the Applicant must submit such item as a prerequisite for submitting an Application.

After submitting the Notice of Intent to Respond, the Applicant will receive instructions via e-mail for accessing the portal to submit Application materials. Applicants will be able to upload documents to the portal for transmittal to the BPU at any time after receiving the instructions. Applicants are encouraged to begin uploading their Application documents well in advance of the Application Submission Deadline to ensure a successful submission. Applicants will receive a receipt confirmation via e-mail after submitting their Applications in full. Files larger than 100 MB should be separated into multiple files and named as noted in Sections 2.5 and 3 herein, with "Part [X of Y]" added to the end of the file name for each file.

2.4 Application Requirements

All Applicants must submit at least one Project that does not utilize the PBI, the LCS, and the remaining SAA Capability. Applicants that are not submitting Re-Bid Projects must submit at least one Project that will utilize the fourth PBI circuit, the LCS and the remaining SAA Capability. Applicants are free to submit Project sizes in any increment that yields net benefits. There is no limit on the number of Projects that can be included in a single Application. This optionality will support the BPU's desire to retain flexibility in its procurement. Throughout the evaluation process, Board Staff will gauge the impact of Project size, or the total size of a portfolio of Projects, on all evaluation criteria, with the goal of selecting a portfolio that confers economic benefits through Tier 1 supply chain investment in New Jersey. Bidders are encouraged to optimize utilization of the PBI's fourth circuit, the LCS, and the remaining SAA Capability.

⁵² See BPU, New Jersey Offshore Wind Solicitation #4, <https://www.njoffshorewind.com/fourth-solicitation/questions-and-answers/>.

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Additional information about utilizing SAA Capability, connecting to the LCS and capacity flexibility is provided in Section 3.13.

Each Application must include a completed Application Form (Attachment 1 herein) for each individual Project submitted as part of the Application. The Application Form requires summary information and standardized quantitative inputs, including the OREC Purchase Price. In addition, each Application must include a completed Administrative Completeness Checklist (Attachment 2 herein) to ensure that all required materials have been submitted, and an Applicant Commitment Form (Attachment 3 herein) signed by an authorized officer who possesses signing authority on behalf of the Applicant.

The required contents of a complete Application are described in detail in Section 2.6 herein.

In accordance with N.J.S.A. 48:3-87.1 and N.J.A.C. 14:8-6.5(a)(15), to defray the cost of reviewing the Applications, each Applicant must provide an Application Deposit of \$500,000. This Application Deposit covers up to three (3) Projects. Applicants must submit an incremental Application Deposit of \$25,000 for each additional Project included in the Application.⁵³

The Application Deposit must be paid by bank check. Checks should be made payable to: State of New Jersey, Treasurer. Please place the following note on the check and any associated paperwork: "OSW S4 Bid Deposit." Checks must be mailed or delivered to the below address. Checks must be postmarked no later than the Application Submission Deadline and received by the BPU no later than 3:00 pm EDT on [DATE TBD] (five (5) business days after the Application Submission Deadline):

New Jersey Board of Public Utilities
Attn: Curtis Elvin, CFO
44 S. Clinton Ave, 9th Floor
Trenton, NJ 08625

Per N.J.A.C 14:8-6.5(a)(15)(iii), subsequent to approval of a Qualified Project, the successful Applicant may, at the direction of Board Staff, be required to place additional amounts on deposit with the State for the purpose of reimbursing the Board for costs related to regulatory review of the Project, including, but not limited to, consulting services, oversight, inspections, and audits.

Per N.J.A.C. 14:8-6.3(d), the Applicant shall meet with Board Staff and Rate Counsel representatives together, no less than 30 days prior to submission of an Application, to discuss all aspects of the Application. Applicants will also need to meet with representatives of the NJDEP and Board Staff together, and representatives of the NJEDA and Board Staff together no less than 30 days prior to the submission of an Application. Instructions for scheduling these meetings will be posted to the Solicitation Website. Applicants submitting Project(s) that are the subject of a pending or contingent sale should ensure that representatives of both the current and future potential Project owner(s) are present for these meetings.

The Board's rules of practice prohibit Applicants and Commissioners of the Board from discussing the Fourth Solicitation, or topics directly related to the Fourth Solicitation, from the date the Fourth Solicitation is issued until the date the Board Order announcing the selected Qualified Projects for the

⁵³ Any variation in attributes represents a separate Project. Examples of configuration changes that define a separate Project include, but are not limited to, size, price, infrastructure investments, POI, and economic impacts.

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Fourth Solicitation (“Board Decision”) is issued, which is currently anticipated to occur in Q4 2024. If an Applicant has a need to meet with one or more Commissioner(s) on matters unrelated to the Fourth Solicitation, which is discouraged during the time which the Fourth Solicitation is open and pending, Applicants must request the Board’s Office of General Counsel to review their request to meet with Commissioner(s). Applicants may continue to communicate with other State agencies and with Board Staff in the normal course of business.

Once Applications are submitted, Board Staff will make an initial determination of administrative completeness, per N.J.A.C. 14:8-6.4(a). Board Staff will notify Applicants by e-mail within 30 days after the Application Submission Deadline regarding any identified Application deficiencies.⁵⁴ Applicants will then have one week following the date on which this deficiency notice e-mail was sent to respond to it. Failure to respond satisfactorily to a deficiency notice may constitute grounds for disqualification of an Application.

Once an Application is deemed administratively complete by Board Staff, the BPU has 180 days from the receipt of an administratively complete Application, either at the Application Submission Deadline or upon receipt of a satisfactory deficiency notice response, to approve, conditionally approve, or deny the Application.⁵⁵

Board Staff expects to ask questions of Applicants regarding administratively complete Applications (“Clarifying Questions”) throughout the evaluation period. Applicants will generally have one (1) week to respond to Clarifying Questions, although Board Staff reserves the right to establish a shorter response period or to extend the response period. Board Staff may also schedule interviews with Applicants to further discuss aspects of the Applications.⁵⁶ These activities – Clarifying Questions and interviews – are expected to occur in Q3 and Q4 2024. Board Staff will also provide Applicants with an opportunity to submit a BAFO, with submissions expected to be due in Q4 2024.⁵⁷ All materials provided and statements made during these activities will be considered binding on the Applicant and will be considered as part of Board Staff’s formal evaluation. Board Staff will endeavor to provide Applicants with as much advance notice as possible regarding expected engagement as the evaluation proceeds. The schedule in Section 2.1 contemplates a Board Decision in Q4 2024.

After the Board Decision is made, each Applicant may request a meeting with Board Staff to receive feedback on its Application and discuss potential areas of improvement for future solicitations.

⁵⁴ N.J.A.C. 14:8-6.4(b).

⁵⁵ N.J.A.C. 14:8-6.4(c).

⁵⁶ The venue and format for interviews will be determined when the interviews are scheduled. Remote participation will generally be permitted.

⁵⁷ The scope of the BAFO opportunity will include only pricing parameters and economic benefits guarantees, as entered on the “OREC Pricing Schedule” and “Economic Impacts” worksheets of the Application Form. No change in Project design or COD will be permitted in the BAFO.

2.5 Confidentiality of Applications

All materials filed with the Board are public documents and are therefore subject to the good government sunshine laws of the State of New Jersey.⁵⁸ However, the Board appreciates the confidential nature of some of the material that must be submitted with an Application. The Board further recognizes that New Jersey law allows Applicants to request protection of:

any information . . . which in the person's or entity's opinion constitutes trade secrets, energy trade secrets or other energy information submitted pursuant to N.J.S.A. 52:27F-18, proprietary commercial or financial information, or information which if disclosed, would be likely to cause damage to either a competitive or bidding position or national security, may assert a confidentiality claim by following the procedures set forth in this subchapter.

N.J.A.C. 14:1-12.1(b).

To facilitate the review process, the Board will require all Applicants to submit public (redacted) and confidential (unredacted) versions of their Applications by the Application Submission Deadline, per the Board's Rules of Practice and Procedure governing submission of confidential materials, N.J.A.C. 14:1-12.1, et seq., and the Open Public Records Act, N.J.S.A. 47:1A-1 et seq. ("OPRA"). Each uploaded file must include "Public" or "Confidential" at the beginning of the file name, and the remainder of the file name must be identical for both the public and confidential versions. All public and confidential versions of all documents must be searchable PDF files, except where a different file type, such as Excel, is required.

The Board intends to make all public versions of submitted Applications available to the general public following the Board Decision. The Applications will be available to the general public by using the Board's Public Document Search tool under Docket No. QO24020109.

Pursuant to N.J.A.C. 14:1-12.4 and N.J.A.C. 14:1-12.8., any submission of confidential information should be accompanied by a substantiation of confidentiality supported by an affidavit and identify a designee for receiving notices from the Board's Records Custodian. The substantiation of confidentiality must identify each type of data or materials that the Applicant asserts are exempt from public disclosure under OPRA and/or the common law, and explain the basis for the proposed redaction. Assertions that the entire Application and/or prices are exempt from public disclosure under OPRA, the common law, or the U.S. Copyright Act are overbroad and will not be honored by the Board. If Board Staff determines that an Application is excessively redacted, it may request that the Applicant submit a revised public version of one or more documents. **If an Applicant elects not to seek confidential treatment of its Applications in its initial submittal, the entirety of the Application may be subject to public release.**

Additionally, to facilitate public transparency, any winning Applicant will be required to make additional materials in its Application publicly available post-award, including, but not limited to, all materials necessary for members of the public to understand the Applicant's commitments to jobs, economic development, environmental and fisheries protection, ownership/partnership structures, and other commitments. While there may be limited instances where material may remain confidential after

⁵⁸ N.J.S.A. 47:1A-1 et seq.

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submission of an Application (e.g., turbine and/or foundation supply arrangements, Project financial information), the Board will look to the guidance provided by the New Jersey Division of Purchase and Property (“DPP”) regarding the release of formal procurements as persuasive authority. The DPP rules state, in pertinent part, that “[a]fter the opening of sealed proposals, all information submitted by bidders in response to a solicitation of proposals is considered public information . . . except . . . as may be exempted from public disclosure by the Open Public Records Act.”⁵⁹

The Board notes that it may elect to share confidential portions of the Application materials with other New Jersey government entities, including, but not limited to, NJDEP, Rate Counsel, and NJEDA, during the evaluation period or post-award. The Board also notes that it may elect to publish information marked as confidential in the Board Decision to the extent necessary to support the award.

All Applicants must execute a Nondisclosure Agreement (“NDA”) (Attachment 12 herein) with Rate Counsel and include the fully executed NDA with their Application on or prior to the Application Submission Deadline.⁶⁰ One NDA per Applicant (not per Project) will suffice.

2.6 Performance Guarantee

Within the timeframe specified in the Board Order regarding a Fourth Solicitation award, each awarded Qualified Project shall make a Compliance Filing with the Board that binds the awardee, and their successors or assignees, to meeting the following commitments and critical milestones, as applicable, made by the Qualified Project and approved or modified, as applicable, by the Board in the Board Decision:

1. Tier 1⁶¹ infrastructure investment commitments⁶² (“Tier 1 Investment Commitments”).
2. Achieving the final phase COD of the Qualified Project (“COD Commitment”).
3. For Re-Bid Projects, an additional \$100,000,000 Commitment tied to achievement of the final phase COD of the Qualified Project (“Re-Bid Commitment”).

The Compliance Filing shall include:

1. A primary schedule with specific dates for each of the Critical Milestones in each applicable category listed below (“Primary Critical Milestone Schedule”).
2. The Compliance Filing must at a minimum include a Primary Critical Milestone Schedule, with the option of providing an alternative to the Primary Critical Milestone Schedule (“Alternative Critical Milestone Schedule”). The Compliance Filing may propose an Alternative Critical Milestone Schedule if other Critical Milestones better align with the realization of the Qualified

⁵⁹ See N.J.A.C. 17:12-1.2(b)-(c).

⁶⁰ Attachment 12 is not being posted with the draft SGD. It will be included in the final SGD.

⁶¹ Tier 1 is defined as the primary supplier who contracts directly with the Qualified Project developer to deliver a major contract package.

⁶² Tier 1 infrastructure investment commitment is defined as a commitment by the Qualified Project to provide funding, in the form of cash or loan, for the development of a Tier 1 manufacturing facility.

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Project's commitments. Proposing an Alternative Critical Milestone Schedule does not guarantee that the Board will approve it or will refrain from modifying it.

3. A detailed description and copy of the proposed financial instrument(s) to be used to secure the Qualified Project's commitments.

Critical Milestones for Tier 1 Investment Commitments

Tier 1 Critical Milestone 1: Providing the funding that represents at least 25% of the total funding commitment as proposed by the Project and approved by the Board in the Board Decision.

Tier 1 Critical Milestone 2: Providing the funding that represents at least 50% of the total funding commitment as proposed by the Project and approved by the Board in the Board Decision.

Tier 1 Critical Milestone 3: Providing the funding that represents 100% of the total funding commitment as proposed by the Project and approved by the Board in the Board Decision.

Critical Milestones for the COD Commitment

Project Critical Milestone 1: BOEM approval of the COP.

There are two (2) alternatives listed below, the applicable one of which will relate to a particular Qualified Project, based on whether such Qualified Project is constructed in phases.

Alternative 1 (Projects not constructed in phases):

Project Critical Milestone 2: Achievement of the Qualified Project's Commercial Operation Date ("COD").

Alternative 2 (Projects constructed in phases):

Project Critical Milestone 2: Achievement of the Phase 1 COD of the Qualified Project.

Project Critical Milestone 3: Achievement of the Qualified Project's COD.

Critical Milestones for the Re-Bid Commitment

Re-Bid Critical Milestone 1: Execution of a binding agreement with an Original Equipment Manufacturer ("OEM") supplying the Project's wind turbine generators.

Re-Bid Critical Milestone 2: Achievement of the Qualified Project's COD.

Critical Milestone Notices

The Qualified Project shall provide Board Staff with written notice, copying Rate Counsel, when each Critical Milestone in each applicable category listed above is achieved, within seven (7) days after that achievement, which notice shall include information and supporting documentation demonstrating with reasonable specificity that such Critical Milestone has been achieved.

Board Staff shall have 45 days to review this written notice in order to verify the reasonableness of such representation(s) before providing its recommendation to the Board. The Board will issue a Board Order, within 90 days of Board Staff's review, allowing or disallowing the Commitment Security to be

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reduced as described below. Board Staff may request additional information from the Qualified Project about its filing, including additional documentation, access to company personnel, or other information. The Board Staff review period is renewed and automatically resets upon receipt of the requested documentation or clarification from the Qualified Project.

Not less than three (3) months prior to each Critical Milestone, the Qualified Project may petition the Board to extend any of the Critical Milestone dates if, for good cause, the Critical Milestone cannot be achieved by the date specified in the Compliance Filing. The Qualified Project may request a one-time extension of a Critical Milestone of up to three (3) months upon written notice to Board Staff. Extension of Critical Milestone dates beyond the three (3)-month one-time extension period are subject to Board approval.

Financial Commitment

Posting of Commitment Security

Tier 1 Commitment Security: Qualified Projects including Tier 1 Investment Commitments shall be required to post an additional Commitment Security in the amount of 100% of the total funding commitment as proposed by the Qualified Project and approved by the Board in the Board Decision (“Tier 1 Commitment Security”). A Qualified Project shall post 50% of this Tier 1 Commitment Security within the earlier of (i) the one (1) year anniversary date of the Order’s effective date, and (ii) sixty (60) days before the Tier 1 Critical Milestone 1 date, as contained in the Compliance Filing. The balance shall be posted within the earlier of (i) sixty (60) days prior to the Tier 1 Critical Milestone 2 date, and (ii) sixty (60) days after the Tier 1 Critical Milestone 1 date, as contained in the Compliance Filing. This Tier 1 Commitment Security may be posted by the Qualified Project or by the OEM, as the Qualified Project and the OEM shall agree. The Qualified Project shall notify the Board in writing if the OEM will be posting the Commitment Security on its behalf, in advance of such posting.

COD Commitment Security: All Qualified Projects are required to post commitment security in the amount of \$50,000 per megawatt of delivered capacity awarded under the Board Decision (“COD Commitment Security”). A Qualified Project shall post 50% of this COD Commitment Security within one year of the Board Decision, with the balance posted within three years of the anniversary date of the Board Decision.

Re-Bid Commitment Security: Re-Bid Projects are required to post additional Commitment Security in the amount of \$100,000,000 regardless of capacity awarded (“Re-Bid Commitment Security”) simultaneously with the Compliance Filing. The Re-Bid Commitment Security must be in the form of an irrevocable letter of credit from an investment grade third party financial guarantor, as described below.

Parent Company Guaranty and Letter(s) of Credit

The commitment securities may be in the form of: i) one or more parent company guarantees as detailed in Attachment 13, if the parent is investment grade (defined as having one or more credit rating of BBB or above from Standard and Poor's, BBB or above from Fitch, or Baa3 or above from Moody's); ii) one or more irrevocable letters of credit in the form detailed in Attachment 13 from an investment-grade third-party financial guarantor (defined as an institution with a rating of BBB or above from Standard and Poor's, BBB or above from Fitch, or Baa3 or above from Moody's); and/or iii) upon Petition

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to the Board, other financial instrument acceptable to the Board that provides a comparable level of security to ratepayers, including, but not limited to, corporate guarantees and performance bonds.⁶³

Notwithstanding the above, the Re-Bid Commitment Security must be provided in the form of an irrevocable letter of credit in the form detailed in Attachment 13, from an investment-grade third-party financial guarantor (defined as an institution with a rating of BBB or above from Standard and Poor's, BBB or above from Fitch, or Baa3 or above from Moody's).

In the case of a Qualified Project with multiple parent companies or those that involve a joint venture, the Qualified Project may request that responsibility for the commitment securities be split among the parent companies, specifying the respective percentage split responsibility for each parent company.

The Qualified Project shall provide Board Staff with the final, fully executed version of each commitment security described in its Compliance Filing within seven (7) days of the date on which the commitment security is fully executed. Each Qualified Project shall also provide Board Staff with copies of any amendment made to a commitment security within seven (7) days of the date on which such amendment is fully executed. The Qualified Project shall regularly keep Board Staff informed of the anticipated date of execution of each such commitment security or amendment, as applicable.

Treatment of Commitment Security

The commitment securities for each of the three (3) applicable Critical Milestone categories above may be reduced, if approved by the Board as described above, by 20 percentage points for achieving Critical Milestone 1, and by 20 percentage points for achieving Critical Milestone 2 if there are three Critical Milestones for the category. Upon achievement of the final Critical Milestone for that category, the commitment security shall be closed if all prior Critical Milestones in that category have also been achieved.

Notwithstanding anything described above, the commitment security can otherwise only be terminated upon approval of the Board.

Tier 1 Commitment Security – If a Qualified Project misses a Tier 1 Critical Milestone, an amount equal to the total Tier 1 Commitment Security, multiplied by the percentage value assigned to each relevant Critical Milestone, as set forth above, shall be forfeited. For example, if a Qualified Project misses Critical Milestone 1 for a Tier 1 Investment Commitment, the amount forfeited shall be the total Commitment Security of the Tier 1 Investment Commitment, multiplied by 25 percentage points. If a Qualified Project misses the last Tier 1 Critical Milestone, or announces earlier termination or cancellation of the Qualified Project, the remaining Tier 1 Commitment Security, that is, the amount that has not been previously returned or forfeited, shall be forfeited.

COD Commitment Security – If a Qualified Project misses a Project Critical Milestone, the Qualified Project shall forfeit 25% of the total COD Commitment Security, as determined by the full COD Commitment Security amount. If a Qualified Project misses the last Project Critical Milestone, achievement of the Qualified Project's COD, or announces earlier termination or cancellation of the

⁶³ The performance bond must be issued by a qualified surety that is authorized to do business in the state of New Jersey and listed on the most current edition of the U.S. Treasury Department's Circular 570.

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Qualified Project, the remaining COD Commitment Security, that is, the amount that has not been previously returned or forfeited, shall be forfeited.

Re-Bid Commitment Security – If a Qualified Project misses a Re-Bid Critical Milestone, the Qualified Project shall forfeit 25% of the total Re-Bid Commitment Security. If a Qualified Project misses the last Re-Bid Critical Milestone, achievement of the Qualified Project’s COD, or announces earlier termination or cancellation of the Qualified Project, the remaining Re-Bid Commitment Security, that is, the amount that has not been previously returned or forfeited, shall be forfeited.

Any funds forfeited for any of the commitment securities will either be committed to development of offshore wind infrastructure, including but not limited to, as appropriate, Tier 1 Infrastructure, in New Jersey, or returned to ratepayers, at the discretion of the Board.

3 MATERIALS REQUIRED FROM APPLICANTS

The materials to be submitted by prospective Applicants are based on requirements stated in N.J.A.C. 14:8-6.1 et seq. (Attachment 5 herein), specifically N.J.A.C. 14:8-6.5. The materials to be submitted in the Application are described in detail in the following subsections, and include information required pursuant to N.J.A.C. 14:8-6.5, as cited throughout, and additional information deemed necessary by the Board in order for Board Staff to conduct a thorough evaluation of the Application, per N.J.A.C. 14:8-6.5(a)(16). The information regarding Application requirements in this SGD is provided for information only. Applicants are required to refer to N.J.A.C. 14:8-6.1 et seq. and provide all required information even if the information is not identified here.

There are two (2) primary components to the Application: (i) the Application Narrative and (ii) the Application Form. The Application Narrative must be a single, standalone document with “Application Narrative” in the file name that includes the information described in the following subsections, with a detailed table of contents. A single Application Narrative must be submitted that addresses each requirement for each of the Projects included in the Application. The Application Narrative must be a fully-searchable PDF document. For ease of use, the Application Narrative must include either (i) a table of contents with active links to each of the section headings, or (ii) bookmarks to each of the sections, or (iii) both a linked table of contents and bookmarks. The Application Narrative must include all the information described in the remainder of this Section 3 (including the applicable Attachments herein). For example, “Applicant Information,” as explained in further detail in Section 3.1 herein, must be presented in Section 1 of the Application Narrative. If specific content is relevant to multiple sections of the Application Narrative, it does not need to be repeated in each of those sections, but, instead, may be cross-referenced as needed. Applicants can include additional relevant information beyond the listed requirements at their discretion (“Additional Information”). Additional Information, included at an Applicant’s discretion, should be included in the most relevant section of the Application Narrative. If the Additional Information does not reasonably fit into one of the required sections, an Applicant may append an additional section titled “Additional Information.”

The Application Form (Attachment 1 herein) is an Excel file that requires entry of quantitative components. The Applicant must submit a separate Application Form for each Project included in its Application, with “Application Form – [Project Name]” in the file name. A summary of the required inputs is presented in Section 3.18 herein. Each Application Form must be submitted as a working Excel (.xlsx) file.

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Additional components of the Application include required attachments as noted below and any additional attachments that the Applicant believes provide supplemental information that is necessary to fully describe the included Projects. Unless specifically required to be provided in a different format such as Excel, attachments for each section of the Application Narrative should be consolidated into a single searchable PDF file with numbered pages, with “Attachments to Section [#]” in the file name.

To assist Applicants in preparing their Applications, an “Administrative Completeness Checklist” – an Excel file with a condensed statement of the requirements from OWEDA and N.J.A.C. 14:8-6.5, along with supplemental information the BPU has deemed necessary and has included in this SGD – is included as Attachment 2 herein. Each Applicant must submit as a working Excel (.xlsx) file a single, completed Administrative Completeness Checklist for the Application, with the file name “Administrative Completeness Checklist.” This Administrative Completeness Checklist is intended to allow Applicants and evaluators to assess whether an Application is administratively complete. However, this checklist is only a tool for Applicants and evaluators. The ultimate requirements are those contained in this SGD, which incorporates references to N.J.A.C. 14:8-6.5 et seq.⁶⁴

Each Applicant must submit a single, completed Applicant Commitment Form (Attachment 3 herein) as part of the Application, with “Applicant Commitment Form” in the file name. By signing the Applicant Commitment Form, the Applicant’s authorized officer acknowledges and agrees that the Applicant will comply with all commitments made in the Applicant Commitment Form that will be conditions of the Board Decision. The Applicant Commitment Form also contains an acknowledgement that the Board may share confidential information the Applicant provides with other New Jersey agencies, PJM, and federal agencies with jurisdiction over the interconnection and permitting of the Project. No exceptions to the Applicant Commitment Form will be permitted.

3.1 Applicant Information

Section 1 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- A demonstration of the Applicant’s applicable experience in projects of similar size and scope to the proposed Project(s) (N.J.A.C. 14:8-6.5(a)(2), N.J.A.C. 14:8-6.5(a)(2)(i)(1));⁶⁵
- List of all key employees, including resumes for each that detail their individual track record in construction and operation of power plants of similar size and scope (N.J.A.C. 14:8-6.5(a)(1)(i));⁶⁶
- Description of any work done to date by the key employees in developing projects of similar scope, especially any ocean-based energy project or New Jersey large-scale energy project siting work (N.J.A.C. 14:8-6.5(a)(1)(ii));

⁶⁴ See Attachment 5 herein.

⁶⁵ The demonstration of experience should include, at a minimum, each similar project’s name, as well as such project’s planned or actual COD, development status, project size, turbine type(s) and size, project location, explanation of the Applicant’s role in the project, and any other relevant project characteristics. Applicants are free to provide additional information deemed relevant to demonstrate experience.

⁶⁶ Resumes can be provided in an attachment. The list of key employees should include a labor coordinator responsible for engagement with labor unions and development of PLAs and other labor agreements.

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- If the work described was not performed by the entire team of key employees, the Applicant must delineate the experience or work performed by key employees (N.J.A.C. 14:8-6.5(a)(1)(iii)); and
- The Applicant shall disclose, in detail, any prior business bankruptcies, defaults, disbarments, investigations, indictments, or other actions against either the Applicant, its parent company, affiliates, subsidiaries, or any key employees identified above (N.J.A.C. 14:8-6.5(a)(1)(iv)). Other actions include, but are not limited to, litigation, disputes, claims or complaints, failure to satisfy contract obligations, or failure to deliver products, involving Applicant or a parent company of Applicant, and relating to the purchase or sale of energy, capacity, or Renewable Energy Certificates. This disclosure can be limited to actions occurring in the United States.

Section 1 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- For any Re-Bid Project, the Applicant must provide the justification for re-submitting the original Qualified Project as a new Project for consideration as a Qualified Project to be awarded in this Fourth Solicitation.
- For Re-Bid Projects that contain any proposed or contingent sales as part of such Project, the Applicant must provide detailed information on the terms of sale, including dollar amounts and names of all applicable parties involved in such sale. As part of its Application, the Applicant should provide the same information that the Application requires for the proposed or contingent Project owners and investors as the Application requires for current owners and investors.

Attachments to Section 1 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- Two (2) years of audited financial statements, including accompanying financial notes to these statements, of the Applicant and/or parent company, in US Generally Accepted Accounting Principles (“GAAP”). If not in US GAAP, the Applicant shall provide an opinion from an accounting firm that attests to the financial statements and accompanying financial notes and the strength of the Applicant and/or parent company and has provided professional qualifications that demonstrate that expertise (N.J.A.C. 14:8-6.5(a)(3)(vi)).

A Qualified Project is not permitted to reallocate or replace the personnel/resources or key employees listed in their Application and used to obtain the OREC award, without prior approval of the Board (N.J.A.C. 14:8-6.5(a)(1)(vi)). The Applicant must acknowledge this by signing the Applicant Commitment Form.

3.2 Project Descriptions

Section 2 of the Application Narrative must include the following information for each Project, as required under N.J.A.C. 14:8-6.5(a) et seq.:

- A detailed description of the Project including maps, surveys, and other visual aids that support the detailed description of the Project (N.J.A.C. 14:8-6.5(a)(2));
 - The configuration of turbine array, location of cable and balance of system equipment (N.J.A.C. 14:8-6.5(a)(2));

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- Indicate the areas used for all aspects of the Project, including the location(s), the construction staging area(s) and port usage (N.J.A.C. 14:8-6.5(a)(2)(i)(3));
- Include a map with the location of the site(s) clearly marked by longitude and latitude and BOEM, Regulation and Enforcement block numbers (N.J.A.C. 14:8-6.5(a)(2)(i)(4));
- Specification of whether the Project is located at one contiguous site within their lease area, or divided among several non-contiguous sites (N.J.A.C. 14:8-6.5(a)(2)(i)(6));
- Describe any current uses, conflicts or characteristics of the ocean and land areas that have been identified regarding each Project (N.J.A.C. 14:8-6.5(a)(2)(i)(5));
- Define the attributes which make the site(s) attractive, and list any potential problems, constraints or limitations with siting an energy facility at that location or locations (N.J.A.C. 14:8-6.5(a)(2)(i)(7));
- To the fullest extent possible, indicate the major types of equipment that have been selected to be installed, and the characteristics specified (N.J.A.C. 14:8-6.5(a)(2)(i)(8));⁶⁷
- Indicate whether the Applicant plans to own or lease equipment (N.J.A.C. 14:8-6.5(a)(2)(i)(9));⁶⁸
- Describe the selected equipment, the specifications, warranties, how long it has been commercially available, approximately how many are currently in service and where they are installed (N.J.A.C. 14:8-6.5(a)(2)(i)(10));
- The type, size, and number of individual units for the selected turbines and foundations (N.J.A.C. 14:8-6.5(a)(2); N.J.A.C. 14:8-6.5(a)(2)(v));⁶⁹
- The history, to date, of the same type, size and manufacturer of installed turbines and foundations globally (N.J.A.C. 14:8-6.5(a)(2));
- Demonstrate that the wind technology is viable, cost competitive and suitable for use in New Jersey's offshore environment under varying and expected meteorological and climate conditions (N.J.A.C. 14:8-6.5(a)(2)(i)(2));
- Include a description of the ability of the equipment to work in New Jersey's offshore and near shore climates and the basis for that conclusion (N.J.A.C. 14:8-6.5(a)(2)(i)(11)); and
- Describe construction plans in detail, identifying proposed subcontractors, with evidence of capability of performing necessary tasks, as well as proposed time frames for completion of all necessary tasks (N.J.A.C. 14:8-6.5(a)(2)(iii)).

Section 2 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- A summarized comparison of the Projects being submitted by the Applicant and their differentiating characteristics;
- If the selected equipment is not currently commercially available, describe the development status and expected timeframe for the equipment becoming commercially available, and where the equipment will be manufactured;

⁶⁷ Major types of equipment include all power cables (intra-array, offshore, and onshore) and converter stations.

⁶⁸ Board Staff reserves the right to request from Applicant and review any equipment lease or purchase documents upon any such document's execution. Applicant shall provide such documentation to Board Staff upon request.

⁶⁹ When identifying the selected turbine the Project intends to use, please include the expected useful life associated with such turbines. If more than one size turbine will be used in a particular Project, please provide the useful life for each size turbine proposed to be used within that Project.

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- The plan to procure the selected equipment, including key milestones, and status of the procurement process;
- Backup procurement plans in the event that the selected equipment cannot be procured;
- Expected manufacturer warranty terms for major types of equipment;
- The rationale for selection of HVDC or HVAC export cable technology;
- The rationale for the selection of HVDC or HVAC cable voltage, including tested capabilities in similar applications and advantages / disadvantages associated with different kilovolt (“kV”) ratings;
- A description of the method used to install the marine portion of the export cable and the target depth of cable burial;
- Identification of the port(s) and other facilities that will be used to support construction of the Project and the activities that will be conducted at each port or other facility;
- Any new and innovative technologies that will be utilized to reduce the demand for peak electric generation, improve the reliable operation of the electric system, reduce the emissions from electric generation, and/or avoid, minimize, or mitigate environmental and/or fisheries impacts; and
- A detailed description of the vessels that will be used for the construction of the Project, including how Jones Act compliance will be addressed for each vessel and/or vessel class, plans for obtaining such vessels, status and timing of availability of the vessels planned for usage and anticipated day rates associated with vessel scheduling and mobilization.

Attachments to Section 2 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- A letter of intent or memorandum of understanding from the turbine manufacturer/supplier to supply the selected turbines (N.J.A.C. 14:8-6.5(a)(2));⁷⁰
- A demonstration of the financial strength of the selected turbine manufacturer/supplier (N.J.A.C. 14:8-6.5(a)(2));
- A declaration from the foundation manufacturer/supplier that states their ability to manufacture and deliver all foundations within the targeted schedule (N.J.A.C. 14:8-6.5(a)(2));
- A declaration from the undersea cable manufacturer/supplier that states its ability to manufacture and deliver all undersea cable components within the targeted schedule (N.J.A.C. 14:8-6.5(a)(2));
- A letter of intent or memorandum of understanding from the proposed engineering, procurement, and construction (“EPC”) contractor, balance of plant (“BOP”) contractor, and/or key construction contractors or vendors (N.J.A.C. 14:8-6.5(a)(2));⁷¹
- Provide evidence that the Applicant has selected certified wind turbine generators or has a detailed certification plan that is underwritten by a certifying body (N.J.A.C. 14:8-6.5(a)(2)); and
- Audited financial statements for two years, in US GAAP, including accompanying financial notes to these statements, for key Project suppliers including, but not limited to, the turbine

⁷⁰ If possible, the letter of intent or memorandum of understanding from the turbine manufacturer should state their ability to manufacture and deliver all components within the targeted schedule.

⁷¹ If possible, the letter of intent or memorandum of understanding from the contractor or vendor should state their intended scope and ability to meet the targeted schedule.

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manufacturer and EPC contractor. If not in US GAAP, the Applicant shall provide opinions from an accounting firm that attests to the financial statements, including accompanying financial notes to these statements, and the strength of the key suppliers, and has provided professional qualifications that demonstrate that expertise (N.J.A.C. 14:8-6.5(a)(3)(vii)).

Attachments to Section 2 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- The maps, surveys and other visual aids must also show plans for the location, general configuration, turbine spacing vis-à-vis one another, and orientation of the wind turbine array, and the locations of the export cable (generator lead line) route, offshore and onshore substation(s), converter station(s) (if applicable), cable landfall location, onshore transmission right-of-way, and POI(s);
- The distance in statute miles⁷² between the nearest turbine and the closest point on shore;
- A demonstration of the financial strength of the:
 - Selected foundation manufacturer/supplier,
 - Selected cable manufacturer/supplier,
 - Proposed EPC contractor,
 - Proposed BOP contractor, and
 - Other key construction contractors or vendors; and
- Disclosure of known existing or pending litigation among the wind turbine generator manufacturer, foundation manufacturer, cable manufacturer, and/or other major equipment manufacturer that may impact Applicant's ability to achieve the COD set forth in Applicant's Application.

Subsequent to award, successful Applicants are permitted to replace or update the equipment identified in the Application with more technologically advanced equipment that is equal to or better than the equipment identified in the Application, subject to Board approval (N.J.A.C. 14:8-6.5(a)(2)(ii)). Any such replacement shall not increase the OREC Purchase Price or reduce the economic impacts presented in the Applicant's Economic Development Plan, the parameters of which are set forth in Section 3.8 herein. Applicants are required to include in the Application the equipment that is intended to be used in the Project. Applicants will not be penalized if the proposed equipment uses new or innovative technology and as a result does not have a commercial operating history, subject to review of the relevant required information, including the supplier's track record of innovation, financial strength, certification plans, or any other information that the Applicant finds pertinent.

3.3 Energy Production Estimate

Section 3 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

⁷² A "statute mile," 5,280 feet, is used for purposes of measuring distance over land, whereas "nautical mile," 6,076 feet, is used for measuring distances on the ocean. See Nautical Mile, <https://www.merriam-webster.com/dictionary/nautical%20mile>; Statute Mile, <https://www.thefreedictionary.com/statute+mile>.

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- Assumptions that are the basis for the estimate of net yearly energy output for the Project, as reported in the Application Form (N.J.A.C. 14:8-6.5(a)(2)(v));
- Account for, to the fullest extent possible, the coincidence between time of generation for the Project and peak electricity demand (N.J.A.C. 14:8-6.5(a)(2)(vi));⁷³
- Provide an estimate, with support, of the amount of energy that will be generated over the term of the life of the turbines (N.J.A.C. 14:8-6.5(a)(2)(vi));⁷⁴
- Estimate, with support, the level of generation that the Project will be able to provide over the life of the equipment, assuming the Project runs for the equipment's full life (N.J.A.C. 14:8-6.5(a)(2)(vi));⁷⁵ and
- Provide the total amount of clean energy being generated over the term of the OREC program and the life of the turbines (N.J.A.C. 14:8-6.5(a)(6)(v)).⁷⁶

Section 3 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- For each proposed Project, an explanation of how the Annual OREC Allowance, as submitted in the Applicant's Application Form, is derived from the expected annual delivered energy based on the wind resource and energy assessment;⁷⁷ and
- For each proposed Project, a planned maintenance outage schedule for the turbines and other equipment.

Attachments to Section 3 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- A wind resource and energy assessment from a wind energy consultant for the exact manufacturer, model and specifications of turbines selected for the Project (N.J.A.C. 14:8-6.5(a)(2)(v)); and
- Professional qualifications for the wind energy consultant to demonstrate sufficient expertise (N.J.A.C. 14:8-6.5(a)(2)(v)).

3.4 Financial Analysis

Section 4 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

⁷³ PJM defines seasonal peak and off-peak hours for the wholesale energy market. PJM data is available at <https://www.pjm.com/markets-and-operations/energy.aspx>.

⁷⁴ Provide a single value (for each Project) representing the total amount of energy that is expected to be generated over the life of the turbines. Annual and hourly values will be provided in the Application Form.

⁷⁵ Provide a single value (for each Project) representing the level of generation that the Project is expected to provide over the expected useful life of the Project equipment.

⁷⁶ Provide a single value (for each Project) representing the total amount of energy that is expected to be generated over the 20-year OREC term, and a single value (for each Project) representing the total amount of energy that the Project is expected to generate over the expected useful life of the turbines.

⁷⁷ The wind resource and energy assessment should account for turbine downtime due to extreme weather events affecting the availability of all or a portion of the Project's wind turbine generators.

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- A complete financial analysis of the Project (N.J.A.C. 14:8-6.5(a)(3));
- A comprehensive business plan with fully documented estimates of all associated and relied upon revenue and expense projections (N.J.A.C. 14:8-6.5(a)(3)(iv));
- Tax credits, subsidies or grants for which the Project will qualify (N.J.A.C. 14:8-6.5(a)(12)(viii)(2));
- Debt service costs and return on equity assumptions (N.J.A.C. 14:8-6.5(a)(12)(viii)(3));
- Taxes and depreciation assumptions (N.J.A.C. 14:8-6.5(a)(12)(viii)(4)); and
- The operation and maintenance (“O&M”) plan for the Project must be integrated into the financial analysis of the Project (N.J.A.C. 14:8-6.5(a)(7)(vii)).

Section 4 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- Coverage ratios for recourse and non-recourse debt tranches;
- Any additional tax credits or other subsidies that Applicant may ultimately be eligible for to be credited to ratepayers in New Jersey; and
- A nominal levelized cost of energy (“LCOE”) over the 20-year contract term using a 7% nominal discount rate and the Project’s average (“P50”) output, as reported in the Application Form.

Attachments to Section 4 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- An Excel file containing financial statements for the Project over the development, construction, operation, and decommissioning periods,⁷⁸ which must include:
 - Pro forma income statements (N.J.A.C. 14:8-6.5(a)(3)(i));
 - Balance sheets (N.J.A.C. 14:8-6.5(a)(3)(ii));
 - Cash flow projections for the proposed OREC period, including the internal rate of return, and a description and estimate of any State and/or Federal tax benefits that may be associated with the Project (N.J.A.C. 14:8-6.5(a)(3)(iii)); and
 - All tax credits or other subsidies upon which the Applicant is relying, as described in Section 3.6 (N.J.A.C. 14:8-6.5(a)(5)(ii)).
- A full cost accounting of the Project, including total equipment, construction, O&M, and decommissioning costs (N.J.A.C. 14:8-6.5(a)(3)(v); N.J.A.C. 14:8-6.5(a)(12)(vii)(1)); and
- The feasibility study used to determine the construction costs included in the cost accounting (N.J.A.C. 14:8-6.5(a)(3)(v)).

Attachments to Section 4 of the Application Narrative must include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- The Project financial statements must include the Project’s annual earnings before interest, taxes, depreciation, and amortization (“EBITDA”) over the 20-year contract term;
- The pro forma income statements should provide reasonable insight into the financing assumptions used to support Applicant’s required return on investment (“ROI”);

⁷⁸ A separate Excel file must be provided for each Project with the file name “Financial Statements – [Project Name].”

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- The full cost accounting of the Project must specifically identify the material and installation costs for the generator lead line between the offshore substation(s) and the POI, estimated TSUC and any other material interconnection costs; and
- Re-Bid Projects must include and specifically identify and document to-date spending under the prior award.

3.5 Project Financing Plan

Section 5 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- The proposed method of financing the Project (N.J.A.C. 14:8-6.5(a)(4));
- A detailed financial plan (N.J.A.C. 14:8-6.5(a)(4)(iv));
- Identification of equity investors, fixed income investors, long and short-term debt, and any other sources of capital (N.J.A.C. 14:8-6.5(a)(4)(i), N.J.A.C. 14:8-6.5(a)(4)(iv));
- A demonstrated ability to finance construction through market sources, which may include tax-exempt bond financing through the NJEDA (N.J.A.C. 14:8-6.5(a)(4)(iii));
- Names, functions, and fees of all financial and legal advisors (N.J.A.C. 14:8-6.5(a)(4)(iv)); and
- Specify if and under what conditions equity or other ownership interests in the Project can be transferred to other parties and considerations involved (N.J.A.C. 14:8-6.5(a)(4)(iv)).

Section 5 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- Potential senior recourse and non-recourse debt lenders and the expected dollar amount from each;
- Potential mezzanine or subordinate debt lenders and the expected dollar amount from each;
- Potential tax equity financing and expected dollar amount from each; and,
- Potential dollar amount of other equity financing, including contingent equity and expected dollar amount from each.

Attachments to Section 5 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- Evidence of the ability to finance the Project, such as: a letter of intent to offer credit from credible financiers, a letter of commitment from equity investors, and/or a guarantee from an investment-grade party (N.J.A.C. 14:8-6.5(a)(4)(ii)).

The Applicant shall notify the Board in writing of any proposed changes to the financing plan within 30 days and such changes will be subject to Board approval (N.J.A.C. 14:8-6.5(a)(4)(iv)). The Applicant must acknowledge this by signing the Applicant Commitment Form.

3.6 Documentation of Financial Incentives

Section 6 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

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- Documentation to demonstrate that the Applicant has applied for all current eligible State and Federal grants, rebates, tax credits, and programs available to offset the cost of the Project or provide tax advantages (N.J.A.C. 14:8-6.5(a)(5));⁷⁹ and
- Documentation of all Federal and State tax incentives for which the Applicant is applying or has applied or otherwise are applicable, even if such incentives have not been sought or approved (N.J.A.C. 14:8-6.5(a)(5)(i)).⁸⁰

Section 6 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- The projected value of Federal Investment Tax Credit and/or Production Tax Credit, Federal and State subsidies, grants, or other incentives that the Applicant expects to be eligible for, including but not limited to those available under the federal Inflation Reduction Act⁸¹ and Infrastructure Investment and Jobs Act,⁸² and a proposed plan to secure such tax credits, subsidies, grants, or other incentives; and
- Identification of additional Project costs associated with qualifying for tax credits.

3.7 Project Revenue Plan & Strategy

Awarded projects are obligated to participate in energy, capacity, ancillary services and any other applicable markets PJM administers to maximize revenues for ratepayers. To the extent that opportunities arise during the OREC term to enable the sale of environmental attributes above OREC sales to New Jersey EDCs, the Applicant will also be required to credit ratepayers for the additional revenue derived from such arrangements.

Section 7 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- A Project revenue plan which forecasts revenues as well as identifies the strategy for offering the electricity provided in the electric market and for generating all expected revenues (N.J.A.C. 14:8-6.5(a)(6)(i));⁸³
- Provide an estimate, with documented support, of the amount of electrical capacity the Project will make available consistent with PJM rules and procedures (N.J.A.C. 14:8-6.5(a)(2)(vi));
- The Project revenue plan must link the anticipated revenues to the Project time schedule (see Section 3.12) and costs for the entire Project's lifecycle term extending to the expected life of the turbines and eventual decommissioning (N.J.A.C. 14:8-6.5(a)(6)(ii)); and
- Specify financial expectations and marketing strategies for securing revenue from expected capacity-based payments in PJM markets, energy-based payments in PJM markets, Renewable

⁷⁹ State grants, rebates, tax credits, and programs referenced here are not limited to New Jersey, and may include those from other states.

⁸⁰ This list shall be consistent with the list of tax credits, subsidies or grants the Project will qualify for that is provided in the Financial Analysis (see Section 3.4).

⁸¹ L. 117-169.

⁸² L. 117-58.

⁸³ Includes all expected revenues in the energy, capacity, and, if applicable, ancillary services markets, as well as any bilateral sales.

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Energy Certificate (“REC”) revenue from Renewable Portfolio Standard (“RPS”) or voluntary markets, and emission credits from various air emission reduction cap and trade programs (N.J.A.C. 14:8-6.5(a)(6)(iii)).

Section 7 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- The quantity of Unforced Capacity (“UCAP”) that the Applicant expects the Project to offer into the PJM Base Residual Auction (“BRA”), and the basis for this quantity of UCAP;
- Describe the approach to calculating a capacity price forecast;
- Describe the approach to calculating operating revenues related to UCAP sales under PJM’s anticipated capacity accreditation principles (e.g., forecast of Offshore Wind Effective Load Carrying Capability Class Ratings);
- How capacity market risk, including any capacity performance penalty or incentive payments, will be addressed in regard to apportionment of performance penalties or incentive payments to ratepayers;
- Any strategies for maximizing Project revenues that do not depend on routine settlement in PJM’s day-ahead and/or real-time markets, and how, if at all, the Applicant intends to address any risk associated with any revenue maximization strategy that does not rely on day-ahead or real-time settlement ;
- A description of how the Applicant intends to manage revenue settlement operations and any hedging mechanisms and revenue settlement operations, and how the applicant intends to allocate risk associated with any such mechanisms; and
- A description of the Applicant’s contingency plan to address how capacity revenue may be realized over all or a portion of the OREC term if the Project is not eligible to participate in PJM’s annual BRA.

The value of electric energy, capacity, and, if applicable, ancillary services, as well as any other environmental attributes or other benefits, should they arise over the OREC term, shall be credited fully to ratepayers for the entire OREC term for each phase of the Project. Such other benefits include, but are not limited to, tax credits, subsidies, grants, or other funding not previously identified in the Application and not included in the calculation of the OREC price submitted to the Board.

The annual amount of revenues from whatever source expected to be generated by the Project shall be reflected in the revenue plan (N.J.A.C. 14:8-6.5(a)(12)(ix)). Demonstrating how Qualified Projects maximize revenue through participation in evolving markets administered by PJM over the OREC term may require submittal of periodic compliance filings for Board approval. The Board will inform Qualified Projects of compliance plan filing requirements at a future date.

3.8 Economic Development Plan

New Jersey has continued to invest significant resources in the NJWP and supply chain infrastructure, workforce training, and other areas to position New Jersey as a regional hub for offshore wind. New Jersey is home to one of the first domestic component manufacturing facilities, EEW-AOS’s monopile manufacturing facility at the Port of Paulsboro. In New Jersey’s Third Solicitation, the selected Qualified Projects committed to procure towers from a to-be-developed facility at the NJWP.

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Attachment 11 herein presents technical specifications and price guidance for parcels at the NJWP. New Jersey has also established the Wind Institute for Innovation and Training (“Wind Institute”), housed within the NJEDA, to accelerate the development of a robust and diverse offshore wind workforce, and to champion research and innovation that unlocks market potential. The Board values and encourages commitments to contribute funding to the Wind Institute. In 2023, NJEDA released a Request For Expressions of Interest to establish a Wind Innovation Center, which is expected to be announced in 2024.⁸⁴

As noted in the requirements below, Applicants will use Section 8 of the Application Narrative to describe the Applicant’s proposed investment in New Jersey offshore wind infrastructure, supply chain, labor force development, other in-State investments, and how the proposed investment furthers the development of New Jersey as a regional hub for offshore wind.

Applicants must address expected economic development impacts on New Jersey communities, including any plans to use offshore wind infrastructure already planned or under construction in New Jersey, such as the NJWP or Port of Paulsboro.⁸⁵ Applicants must include any plans to use or develop alternative infrastructure located in New Jersey for supply chain facilities or operations and maintenance. Consistent with New Jersey’s commitment to position the State as a regional offshore wind hub, the BPU strongly encourages use of the NJWP for Project marshalling and for Tier 1 manufacturing facilities, particularly for nacelle and tower manufacturing.⁸⁶

Applicants should detail how their Economic Development Plan, as proposed in the Application in accordance with the requirements listed in this section, will create direct economic benefits for New Jersey. Applicants should therefore address the extent to which proposed Projects will help meet the Governor’s goal of making New Jersey a regional hub for offshore wind, including construction, operations, project development, research and development, and innovation. Applicants are encouraged to utilize domestic content to the maximum practicable extent. Applicants should also describe plans to engage or integrate their efforts with the Wind Institute’s efforts related to workforce development, education, research, and innovation.⁸⁷

Incremental Supply Chain Infrastructure

Applicants can further demonstrate commitment to in-State economic development by including incremental supply chain infrastructure as part of the proposed Project(s). Applicants are encouraged to source monopiles from EEW-AOS’s monopile manufacturing facility in Paulsboro. The State values the opportunity for new Tier 1 facilities that are not contingent on additional awards in future solicitations (within New Jersey or in other states) for facility investment decision making, specifically for manufacturing or assembly of nacelles, followed by full-scale manufacturing of cables. The NJWP is under development and has space available for co-located manufacturing and marshalling facilities.⁸⁸

⁸⁴ See NJEDA, Request for Expressions of Interest for Wind Innovation Center, <https://www.njeda.gov/wp-content/uploads/2023/06/2023-RFEI-Wind-Innovation-Center.pdf>.

⁸⁵ See <https://nj.gov/windport/index.shtml> for information about the NJWP.

⁸⁶ Id.

⁸⁷ See NJEDA, https://www.njeda.gov/wind_institute/ for information about the Wind Institute.

⁸⁸ See Attachment 11 herein.

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Applicants are encouraged to explore alternative ports for cable manufacturing, rather than propose the use of the remaining parcels at the NJWP for this purpose. Analysis that was completed in 2023 on waterfront sites in New Jersey that are potentially suitable for offshore wind component manufacturing can be found on NJEDA’s offshore wind page under Additional Resources.⁸⁹

If full-scale manufacturing of nacelles is not feasible by the time of proposed COD, then Applicants may propose a nacelle assembly facility, which will be evaluated favorably so long as there is a viable pathway to expand either to manufacturing of discrete nacelle component parts or full-scale nacelle manufacturing. The State also values new Tier 1 manufacturing facilities located elsewhere in New Jersey than at the NJWP, particularly for HVDC cables. Applicants are prohibited from entering into any agreements with Tier 1 manufacturing facilities, located at the NJWP or elsewhere in New Jersey, that restrict the ability of these Tier 1 manufacturing facilities to negotiate supply agreements for goods, services and/or equipment with other Applicants.

The State also values other types of in-state supply chain investments, including, but not limited to: commitments to procure components manufactured at currently announced or under development offshore wind facilities in the State (e.g., nacelles, monopiles and towers), supply chain investments to manufacture or fabricate subcomponents of an existing or committed investment, and other opportunities to further develop the local supply chain in the State, including increasing contracting opportunities for all existing New Jersey businesses, as described in the Local Supplier Engagement Plan referenced herein.

For all supply chain facility commitments, the Applicant should describe how the Applicant would expand or strengthen the offshore wind supply chain in the State, including capital expenditure contributions, expected orders, and why the Applicant’s commitment is critical to the facility’s development or continued operation. Applicants that propose cost sharing with other developers who have Projects awarded in this Fourth Solicitation should clearly describe the associated mechanisms and the impact on OREC Purchase Price. The Applicant should address any primary uncertainty factors or risks beyond the reasonable control of the Applicant that may undermine New Jersey’s realization of the economic benefits derived from the offshore wind supply chain in the State. Additionally, New Jersey encourages Applicants to develop facilities in New Jersey to support Project operations and maintenance over the OREC term and remaining Project life. Applicants are encouraged to make contributions for the establishment, expansion or strengthening of Tier 1 manufacturing facilities in New Jersey.

Economic Impacts

Applicants must describe, in detail, the economic benefits to Environmental Justice and Overburdened Communities (“OBCs”), as defined in the Environmental Justice Law, N.J.S.A. 13:1D-157, throughout the planning, development, construction, and operations of the proposed Project(s).⁹⁰ Such benefits may include establishment of education and training opportunities for members of OBCs, the hiring of residents from these communities, or other investments identified as priorities for the community.

⁸⁹ See NJEDA, <https://www.njeda.gov/offshorewind/> for information about potential sites.

⁹⁰ See the NJDEP Office of Environmental Justice’s website at <https://www.nj.gov/dep/ej/> for more information about OBCs in New Jersey.

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Applicants must also explain how they intend to deliver those benefits. All Applicants are required to explicitly identify how they can design their investments to provide benefits to and reduce burdens on OBCs. If relevant, Applicants should describe any plans involving brownfield redevelopment, in particular in OBCs.⁹¹ Applicants are encouraged to engage with or otherwise support programs that have already been funded by the Wind Institute for Innovation and Training. Applicants are also encouraged to provide funding for or propose energy equity programs in New Jersey, oriented around reducing the ratepayer impact on energy-burdened households. The allocation to specific programs of any proposed funding for energy equity programs will be determined by the Board.

The Board recognizes that different Project configurations may have different economic impacts or involve use of different supply chain components or facilities. Applicants must calculate the economic impacts of each Project. In calculating economic impacts, Applicants should identify what assumptions they have made regarding how economic development commitments associated with New Jersey's prior offshore wind solicitations may affect their Project(s). Incremental economic impacts specifically related to the Project's development, construction, operation, and decommissioning can be included in the Economic Development Plan, including in-State manufacturing of components for the Project.

Applicants submitting Re-Bid Projects may submit economic benefits that were previously submitted as part of the original Qualified Project from the First Solicitation or Second Solicitation, if such benefits are still applicable.

Applicants submitting a Project that is affiliated with a previously awarded Qualified Project, but that is not a Re-Bid Project, such as a Project using a new part of the same lease area as the lease area for such Qualified Project, must ensure that economic impacts associated with the prior Qualified Project are excluded from those associated with the proposed Project. This exclusion avoids double counting. Applicants proposing such a Project must include documentation affirming that the economic impacts associated with the prior Qualified Project are excluded. Incremental operations and the corresponding economic impacts that build on investments associated with existing infrastructure or a prior Qualified Project may be included, but should be identified as such.

Guarantees for Economic Impacts

Economic Development Plans must include unconditional guarantees for proposed direct in-State spending stated on a total basis for the development phase and construction (including component manufacturing) phase, and for each five-year period during first 20 years of the operation phase that coincide with the OREC term. If proposed economic benefits related to new or expanded supply chain facilities cannot be met for any reason, the Qualified Project may petition the Board to propose a new or expanded supply chain facility, and the petition must explain how the newly proposed facility will provide equal or greater benefits to New Jersey.

If the in-State spending guarantees for the development and construction phases are not met, following an opportunity to cure the shortfall, at least 90% of any remaining shortfall must be applied to a

⁹¹ See NJEDA, <https://www.njeda.com/brownfield-redevelopment-incentive/> for information related to brownfield redevelopment incentives.

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reduction in the OREC price over the full OREC term.⁹² The Applicant shall propose the disposition of the remaining 10% of the shortfall, subject to Board approval including specifically how the proposed spend on Tier 1 components manufactured in New Jersey will be achieved. The Applicant shall also propose consequences for shortfalls in guaranteed spending during the operations phase, subject to Board approval.

Applicants must also include unconditional guarantees for proposed in-State jobs by Project phase, stated on a total basis for the development phase and construction (including component manufacturing) phase, and on an annual basis for the operation phase.⁹³ Applicants must propose workforce development remedies that will apply if the jobs guarantees are not met, subject to Board approval, to support job creation in New Jersey equal to or greater than the guaranteed values.

All values for guaranteed and expected economic impacts as entered in the Application Form should be provided for the period starting with the Board Decision, expected in Q4 2024. Applicants submitting Re-Bid Projects may additionally include economic impact values associated with spending that has occurred since the original Project's selection as a Qualified Project in the First Solicitation or Second Solicitation. Land purchase and lease costs (including at ports and for right-of-way concessions) shall be excluded from economic model input values for the purpose of determining indirect and induced economic impacts, but should be reported separately in the Application Narrative and included in guaranteed in-state spending where applicable..

Applicants should expect economic development commitments made in the Application to be explicitly included in the conditions of any BPU Order granting ORECs arising from this solicitation.

Applicants should also propose systems for reporting, tracking, and verifying in-state jobs and spending to ensure that guaranteed in-State expenditures and jobs commitments will materialize.

Application Requirements

Section 8 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- Detailed job creation information, including location, type of activity or occupation, and wages or salaries for employment activities to be created by the Project and assumed employment impacts within New Jersey, with job totals expressed as full-time equivalent positions assuming 1,820 hours per year (N.J.A.C. 14:8-6.5(a)(11)(vi); N.J.A.C. 14:8-6.5(a)(11)(xiii));⁹⁴
- Method for confirming employment impacts (N.J.A.C. 14:8-6.5(a)(11)(vi));

⁹² Calculation of the OREC price reduction equivalent in value to the guaranteed expenditure shortfall, if applicable, will be done on a present value basis using the projection of expected annual OREC revenues and an appropriate annual discount rate, which the Board will establish.

⁹³ The guaranteed annual spending and jobs values can vary year-to-year, for example, during and after the wind turbine generator vendor's warranty or service and maintenance agreement period.

⁹⁴ Applicants are encouraged to be as specific as possible about the job types, including the occupational categories/applicable trades and average annual salaries, associated with each distinct Project. Information provided in this section of the Application Narrative must be consistent with the data provided in the Application Form.

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- Other benefits, such as increased in-State activity from construction, O&M, and equipment purchases (N.J.A.C. 14:8-6.5(a)(11)(iv));
- Proposed consequences if the claimed in-State employment and spending benefits do not materialize (N.J.A.C. 14:8-6.5(a)(11)(vii)); and
- A detailed input-output analysis of the impact of the Project on income, employment, wages, indirect business taxes and output⁹⁵ in the State with particular emphasis on in-State manufacturing employment (N.J.A.C. 14:8-6.5(a)(11)(i); N.J.A.C. 14:8-6.5(a)(11)(v)).⁹⁶

Section 8 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- Planned in-State spending to support planning and development, component manufacturing and equipment purchases, construction and installation, and O&M;
- For Re-Bid Projects, details regarding spending that has occurred since the selection of the Project or another Project located in the same footprint as a Qualified Project;
- Method for calculating and tracking in-State spending;
- Method for calculating and tracking in-State jobs;
- Identification of the supply chain components and installation labor that are expected to be provided by in-State businesses and/or workers;
- A description of the Applicant's plan for incremental investments in infrastructure, supply chain, workforce development and other offshore wind-related programs, and the associated economic benefits for the State, with a focus on:
 - Workforce development,
 - Investments in innovation,
 - Investments in existing and/or planned infrastructure and/or Tier 1 commitments,
 - Use of the marshalling and/or manufacturing facilities at the NJWP,⁹⁷ and
 - Development of alternative ports in New Jersey for manufacturing, and O&M activities;
- A description of how the Economic Development Plan, including supply chain and other arrangements, will promote effective competition and reduce risk in the offshore wind marketplace;
- For each proposed manufacturing or port facility, provide the status of any arrangement or commitment to utilize the site and describe plans, or provide plans if they have already been prepared, to develop the site, including construction or rehabilitation of shoreline protection structures, wharf structures and other infrastructure improvements;
- If cost sharing with other developers awarded a Qualified Project in the Fourth Solicitation is proposed, describe the associated mechanism governing any cost sharing proposal, including the inclusion of any contingency or caveat affecting the use of such mechanism, and a

⁹⁵ Output refers to the sales of sectors or industries that would be supplying the Project with materials (such as turbines, steel and cement for support structures, wire for transmission cables), and services (such as construction and installation services, as well as engineering, legal, finance, and other professional services).

⁹⁶ Applicants may use any regional economic input-output model that measures New Jersey economic benefits. Suggested models include, but are not limited to: Rutgers R/ECON model, Regional Economic Models, Inc. (REMI) model, IMPLAN model, and the US Bureau of Economic Analysis RIMS II.

⁹⁷ See additional information regarding the NJWP, supra note 86.

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calculation example addressing the impact of the cost sharing proposal on the OREC Purchase Price;

- For each proposed manufacturing or port facility, explain the status of any arrangement or commitment to utilize the site that reflects reasonable expectations on the part of the Applicant to receive financial support from the State of New Jersey and/or the Federal government, including under the Inflation Reduction Act or the New Jersey Offshore Wind Tax Credit;
- A detailed Local Supplier Engagement Plan that includes:
 - A description of the Applicant’s plan to engage with and provide opportunities in a timely manner to local suppliers and manufacturers, with an emphasis on New Jersey Small, Minority, Woman, or Veteran-owned Business Enterprises (“SMWVBES”), including strategies to prepare New Jersey firms for contracting and subcontracting opportunities connected to new supply chain facilities,
 - A description of the Applicant’s plan to advertise business opportunities to New Jersey firms including, at a minimum, notices for all bids for supplier contracts over \$1,000,000 by the Applicant and by the Applicant’s direct suppliers to New Jersey companies (at minimum those listed on the [New Jersey Offshore Wind Supply Chain Registry](#)),⁹⁸
 - A description of the Applicant’s plan to advertise business opportunities to New Jersey SMWVBES including, at a minimum, notices for all bids for supplier contracts for goods over \$250,000 and services over \$100,000 by the Applicant and by the Applicant’s direct suppliers to New Jersey companies (at minimum those listed on the [New Jersey Selective Assistance Vendor Information](#), or “NJ SAVI”),⁹⁹
 - An acknowledgement that the Applicant and the Applicant’s direct suppliers will make best efforts to consult both the New Jersey Offshore Wind Supply Chain Registry and NJ SAVI for all contracts, regardless of the value of these contracts,
 - Specific targets for contracts awarded to New Jersey firms as a percentage of total development, construction, and operations spending, either on an overall basis or differentiated by Project phase, and whether the Applicant will commit to making those targets public,
 - Specific targets for contracts awarded to New Jersey SMWVBES as a percentage of total development, construction, and operations spending, either on an overall basis or differentiated by Project phase, and whether the Applicant will commit to making those targets public,
 - A description of proposed plans to collaborate with State agencies and other public, non-profit, and private partners to support engagement with New Jersey businesses, including, but not limited to, organizing and participating in meet-the-buyer events, providing technical assistance, etc., and

⁹⁸ See NJEDA, [New Jersey Offshore Wind Supply Chain Registry](https://a812898.fmphost.com/fmi/webd/OSWSupplyChain.fmp12?script=FindServices), <https://a812898.fmphost.com/fmi/webd/OSWSupplyChain.fmp12?script=FindServices>.

⁹⁹ See New Jersey Department of the Treasury, Division of Revenue, [New Jersey Selective Assistance Vendor Information](https://www20.state.nj.us/TYTR_SAVI/vendorSearch.jsp), https://www20.state.nj.us/TYTR_SAVI/vendorSearch.jsp.

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- A description of the Applicant’s plan to use domestically-sourced materials, including, but not limited to, iron and steel, in the construction of the Project;¹⁰⁰
- A detailed Workforce Development Plan that includes:
 - A description of the Applicant’s approach to workforce development and the Applicant’s plan to provide workforce training programs and employment opportunities for New Jersey residents through engagement with Applicant’s associated programs and any other relevant State programs,¹⁰¹
 - Collaboration with and support of the Wind Institute and its associated programs to ensure that Applicant provides a coordinated portfolio of workforce development programs that meet industry needs,
 - Identification of potential job opportunities for residents of OBCs and any associated diversity and inclusion initiatives,
 - Specific targets for hiring New Jersey residents and residents of OBCs, either on an overall basis or differentiated by Project phase, and whether the Applicant will commit to making those targets public,
 - Applicants are encouraged, but not required, to also set specific targets for hiring members of other specialized populations, such as incumbent workers from the non-renewable energy sector, veterans, or justice-involved individuals, either on an overall basis or differentiated by Project phase,
 - A description of the Applicant’s plan to use unionized labor, including identification of specific unions, if available, for construction and for O&M, including considerations related to prevailing wages, project labor agreements, labor harmony agreements, union neutrality agreements, provisions for workplace disputes, jurisdictional disputes and other best practices to prevent Project disruption, and participation in community benefit agreements that include commitments to local hiring and skills training for local residents, including those in OBCs,
 - Identification of occupations with the highest, moderate, and limited expected opportunities for New Jersey residents, including rationale for determination and core skills required, and strategies to increase opportunities for occupations identified as having limited opportunities for New Jersey residents, and
 - A description of the Applicant’s approach to engage with stakeholders in a timely manner to prepare a well-trained and available local workforce through the development of new and/or utilization of existing training, education, and/or outreach

¹⁰⁰ “Domestic steel” is steel that is traceable to a U.S. steel mill where the melting of raw iron or steel takes place, regardless of the origin of the raw iron or steel. “Structural steel” is defined as components that are: load-bearing; necessary to create the structure of the installation; and are comprised of steel or iron. “Non-structural” steel includes components that are core to the function of producing electricity (*e.g.*, wind turbine nacelle and internal components, generator components, *etc.*). See IRS Notice 2023-8, Domestic Content Bonus Credit Guidance under Sections 45, 45Y, 48, and 48E, <https://www.irs.gov/pub/irs-drop/n-23-38.pdf>.

¹⁰¹ Applicants are encouraged to consult the following reports as part of the development of their workforce development plan: NJEDA, [New Jersey Offshore Wind Workforce Assessment through 2035](https://www.njeda.com/wp-content/uploads/2022/09/2022-NewJersey-OSW-Workforce-Assessment-Report.pdf), <https://www.njeda.com/wp-content/uploads/2022/09/2022-NewJersey-OSW-Workforce-Assessment-Report.pdf>; and New Jersey Council on the Green Economy, [Green Jobs for a Sustainable Future](https://www.nj.gov/governor/climateaction/council/greenreport/), <https://www.nj.gov/governor/climateaction/council/greenreport/>.

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programs and ensure that stakeholders are aware of industry-specific certifications and expectations in order to enable their effective participation in such programs; and

- A description of the Applicant’s approach to fostering innovation in the offshore wind industry, including but not limited to, open market opportunities for existing and start-up companies in New Jersey, opportunities to utilize or support existing initiatives at the Wind Innovation Center, opportunities to attract additional investment for an offshore wind innovation hub in the State, any plans by the Applicant to enhance the use of offshore wind through energy storage, green hydrogen technologies, and plans to engage with the Wind Institute as part of these efforts and opportunities.

Attachments to Section 8 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- Documentation including, but not limited to, contracts or other binding commitments to substantiate any claims that manufacturing services related to the Project will be sourced from a New Jersey location (N.J.A.C. 14:8-6.5(a)(1)(vii)).¹⁰²

As part of the Economic Development Plan, Applicants are encouraged to differentiate between (i) commitments that are required, reflected in the OREC Purchase Price and included in spending guarantees, and (ii) initiatives made on a best efforts basis that may be considered part of Corporate Social Responsibility efforts to act as “good neighbors” in the communities in which they operate.

3.9 Stakeholder Engagement

Section 9 of the Application Narrative must include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):¹⁰³

- A description of the Applicant’s values and philosophy related to stakeholder engagement;
- Identification of key stakeholders by category and specific organizations or entities, and goals for engagement with these stakeholders, including, but not limited to, tribal nations, community-based organizations, local and county elected officials, recreational and commercial fisheries, labor unions, higher education, coastal residents and business owners, economic and workforce development organizations, environmental and environmental justice groups, OBCs, and New Jersey SMWVBes;
- Specific stakeholder engagement activities the Applicant has already conducted, what concerns have been raised, what has been done to date to address those concerns, and what activities the Applicant will take to address any concerns that have not been addressed;
- Specific stakeholder engagement activities that the Applicant plans to conduct through COD; and
- A description of the Applicant’s strategies for engaging with New Jersey government entities.

¹⁰² Applicants can also submit non-binding commitments, such as letters of intent or memoranda of understanding. If non-binding documents are submitted, the Applicant should provide a timetable for finalization.

¹⁰³ To the extent that stakeholder outreach is addressed in other sections of the Application Narrative, such as environmental or fisheries outreach, that content can be incorporated here by reference.

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Attachment 9, under the heading “Conflicting Use Avoidance, Minimization, and Mitigation,” describes the stakeholder engagement requirements with respect to the fishing industry that will be incumbent on a Qualified Project. Attachment 6 and Attachment 9 herein also describe required stakeholder activities associated with mitigation and monitoring plans.

A Qualified Project will be required to develop a Stakeholder Engagement Plan and report annually on stakeholder engagement activities to the Board for public issuance.

3.10 Environmental Protection Plan and Emissions Impacts

New Jersey’s near shore and offshore waters are biologically diverse and rich with fisheries and other species as well as habitat that provide important natural resource and economic value to the State and its residents. While New Jersey has studied these resources, the introduction of new onshore and offshore development related to offshore wind projects introduces new variables into both the natural and economic environment that must be well studied and understood as offshore wind developments are constructed, operated, and decommissioned. Accordingly, conducting ongoing research and monitoring to assess the effects of the offshore wind industry on the distribution and abundance of wildlife and fisheries resources is a priority for New Jersey. To facilitate a shared understanding of these effects, Applicants will be required to commit financial and technical support to regional monitoring and research initiatives that explore the impact of the introduction of offshore wind projects on environmental conditions, wildlife, and fisheries. Specifically, each Applicant must commit to a fee of \$10,000 per megawatt of Qualified Project nameplate capacity. NJDEP and BPU have established the Research and Monitoring Initiative (“RMI”) to administer the fee (“RMI Fee”).¹⁰⁴ Re-Bid Projects that have already contributed to the RMI Fee can count those prior contributions toward the commitment for the new Project, if awarded as a Qualified Project.

NJDEP and BPU will engage with the selected Applicant, research institutions, industry, regional science entities and members of the New Jersey Offshore Wind Environmental Resources Working Group to inform identification and prioritization of research and monitoring needs. Additionally, at the discretion of BPU and in coordination with NJDEP, funds may be disbursed directly to regional science entities to conduct or facilitate research. Payment of the RMI Fee shall be made on the following schedule: 50% of the RMI Fee within 90 days of the date of the Board Order awarding the Qualified Project, and the remainder paid in two equal annual installments on the anniversary date of the date the Board Order awarding the Qualified Project over a 2-year period.

Section 10 of the Application must include a brief description of each of the following three (3) required plans, which should each be submitted as an attachment to Section 10:

1. An Environmental Protection Plan (“EPP”), as further described below. The EPP is intended to describe how an Applicant intends to avoid adverse impact to biota and habitats. If impacts cannot be avoided, the EPP shall describe how the impact can be minimized, and, if necessary, mitigated. The EPP must also include an explanation of how the Applicant will implement the environmental protection measures that are described in Attachment 6 herein to address the identified environmental impacts. If any of the required environmental protection measures

¹⁰⁴ Information regarding the RMI can be found on the RMI website, <https://dep.nj.gov/offshorewind/rmi/>.

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cannot be implemented or are not applicable to the Applicant's Project, the EPP must explain why.

2. A Data Management and Availability Plan, described in Attachment 7 herein. The Data Management and Availability Plan must also cover data collected as part of the Fisheries Protection Plan described in Section 3.11.
3. An Offshore Wind Infrastructure Monitoring Plan for the use of offshore wind infrastructure including turbine arrays, foundations, and substations as environmental and ecological monitoring platforms that can contribute to relevant regional monitoring, observing, and research efforts. The elements of the Offshore Wind Infrastructure Monitoring Plan are described in Attachment 8 herein.

The EPP must include information regarding potential benefits and impacts of the Project on environmental resources. The following information, required under N.J.A.C. 14:8-6.5(a) et seq., shall cover the entire Project site, from the offshore lease area to POI:

- Analysis of the anticipated environmental benefits and environmental impacts of the Project (N.J.A.C. 14:8-6.5(a)(11)(xiv));
- A scientifically rigorous description of all associated environmental impacts from pre-construction activities through decommissioning including, but not limited to, environmental, water use, water quality, avian, marine mammals, sea turtle, noise, aesthetics, tourism, navigation, endangered species, sea-bed disruption of marine life, morbidity or mortality among avian, mammal or benthic populations, emissions of combustion byproducts to the air or oil or other toxic releases to the ocean, or solid waste generation (N.J.A.C. 14:8-6.5(a)(11)(xiv)(1));
- The anticipated CO₂ emissions impact of the Project (N.J.A.C. 14:8-6.5(a)(8));¹⁰⁵
- Provide information regarding the direct emissions impacts of the Project, including CO₂, SO₂, and particulate matter ("PM_{2.5}"), as well as other relevant environmental impacts, such as impacts on the marine environment (N.J.A.C. 14:8-6.5(a)(11)(xiv)(3));¹⁰⁶
- Provide an assessment of environmental impacts from the Project compared to other similar Class I renewable energy projects (N.J.A.C. 14:8-6.5(a)(11)(xiv)(4));
- Environmental impacts (direct and comparative) must be quantified to the extent that they are significant and it is possible to quantify them (N.J.A.C. 14:8-6.5(a)(11)(xiv)(5)); and
- The comparative environmental impacts shall be monetized, to the extent possible, for evaluation as part of the overall cost-benefit analysis (see Section 3.17) (N.J.A.C. 14:8-6.5(a)(11)(xiv)(6)).

The EPP must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- A scientifically rigorous description of associated environmental impacts from pre-construction activities through decommissioning, on bats, commercially important finfish and shellfish, aquatic invertebrates, seagrass beds, wetlands, and other sensitive habitats;

¹⁰⁵ Must be consistent with data provided in the Application Form.

¹⁰⁶ This information shall encompass the development, construction, operation, and decommissioning of the Project, and be consistent with the emissions impacts reported in the Application Form, including a full accounting of emissions produced from vehicles, vessels, and machinery.

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- Maps that identify the locations of sensitive marine, coastal, and terrestrial habitats that are within or in the vicinity of the entire Project footprint (including offshore and onshore cable routes and the entire onshore footprint), including but not limited to: freshwater wetlands, tidelands, Special Areas as defined by N.J.A.C 7:7-9 (including shellfish habitat, surfclam areas, prime fishing areas, finfish migratory pathways, submerged aquatic vegetation, shipwreck and artificial reef habitats, and endangered or threatened wildlife or plant species habitats), Natural Heritage Priority Areas, Habitat Areas of Particular Concern, Essential Fish Habitat, sand borrow areas, commercial fisheries management areas and reserves, estuary reserves, classification of areas under the jurisdiction of the Pinelands Commission, Green Acres encumbrances, and OBCs;¹⁰⁷
- Information regarding the Project's direct emissions of NO_x during the development, construction, operation, and decommissioning of the Project that is consistent with the emissions impacts reported in the Application Form, including a full accounting of emissions produced from vehicles, vessels, and machinery;
- A description of the baseline and monitoring data that the Applicant intends to collect from pre-construction through decommissioning regarding the spatial and temporal presence of marine mammals, sea turtles, and avian species;
- A description of how the Applicant plans to make the baseline and monitoring data available to NJDEP and other designated parties consistent with the Data Management and Availability Plan requirements in Attachment 7 herein;
- A description of any commitments to fund research related to the assessment and avoidance of environmental impacts, including impacts to marine wildlife, in addition to the required fee described in the introduction to this section;
- A description of the considerations related to identifying the cumulative impacts of New Jersey's offshore wind development plans as well as interactive impacts with offshore wind development plans in neighboring states;
- A description of how the Applicant will identify (or has identified) environmental stakeholders, any outreach that has occurred to date, and how the Applicant proposes to communicate with those stakeholders during pre-construction activities through decommissioning, as well as a plan for transparent reporting of how stakeholders' concerns were addressed;
- A description of lighting controls for the Project, consistent with the requirements in Attachment 6 herein;
- A description of the expected impact of noise during the development, construction, operation and decommissioning of the Project, on marine life and on onshore communities;
- A description of how onshore elements of the Project will be compatible with surrounding land use and communities, and will safeguard environmentally and culturally sensitive areas;
- A description of the potential impact of the Project on OBCs, as defined in New Jersey's Environmental Justice Law N.J.S.A.13:1D-157;

¹⁰⁷ Applicants should obtain New Jersey-specific data sets from NJDEP GIS Open Data, <https://gisdata-njdep.opendata.arcgis.com/>. Applicants should obtain data sets for federal waters from Marine Cadastre, <https://marinecadastre.gov/> and the National Oceanic and Atmospheric Administration's NOAA Fisheries website, <https://www.fisheries.noaa.gov/>.

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- If impacts to an OBC are anticipated during or after construction, including, but not limited to, increased noise, dust, impervious surface, truck traffic, or loss of tree canopy or open space, the Applicant shall (1) include a community engagement plan specific to the impacted OBC, as part of the required content described in Section 3.9, and (2) identify local government entities and relevant stakeholders or community-based organizations, and propose control measures to avoid, minimize, or otherwise offset those impacts;¹⁰⁸
- A description of how the direct and avoided emissions of the Project, as reported in the Application Form, were calculated, including all assumptions used in preparing estimates of direct and avoided emissions;
- A description of any innovative measures that will be employed to minimize embodied carbon, that is, carbon and other greenhouse gas emissions associated with the manufacture, transportation, installation, maintenance, and disposal of materials comprising the Project; and
- A description of how the Applicant plans to avoid, minimize, and/or mitigate any releases of oil, particulate matter, or hazardous materials that may arise during the development, construction, operation, or decommissioning of the Project.

Attachments to the EPP must include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- A visibility study that presents visual simulations of the Project from the nearest coastline point, including, at a minimum, clear, partly cloudy, and overcast conditions during early morning, mid-afternoon, and late day, as well as one simulation at night with the turbines lit under clear conditions, for both summer and winter.

Attachment 6 herein describes the minimum environmental protection requirements that will be incumbent on a Qualified Project. Attachment 6 also requires a Qualified Project to prepare an Adaptive Environmental Monitoring Plan and an Adaptive Environmental Mitigation Plan.

3.11 Fisheries Protection Plan

Section 11 of the Application Narrative must include a Fisheries Protection Plan (“FPP”). The FPP is intended to describe how an Applicant intends to avoid adverse impacts to commercial and recreational fisheries resources. If impacts cannot be avoided, the FPP shall describe how the impact can be minimized, and, if necessary, mitigated. The FPP must also include an explanation of how the Applicant will implement each of the required minimum protection measures that are described in Attachment 9 herein to address potential impacts to fisheries resources. If any of the minimum protection measures cannot be implemented or are not applicable to the Applicant’s Project, the FPP must explain why. The Data Management and Availability Plan, described in Attachment 7 herein, must address data collected as part of the FPP.

The FPP must include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

¹⁰⁸ If awarded, a Qualified Project shall implement a community engagement plan specific to the impacted OBC and appropriate control measures approved by NJDEP.

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- A scientifically rigorous description of the marine resources that exist in the Project area, including biota and commercial and recreational fisheries, which is informed by published studies, fisheries-dependent data, fisheries-independent data, and, where feasible, fishing communities' shared ecological knowledge, and identifies species of concern and potentially impacted fisheries;
- Maps that identify the locations of sensitive marine and coastal terrestrial habitats and fisheries that are within or in the vicinity of the Project footprint, including but not limited to: Special Areas as defined by N.J. Admin. Code Chapter 7 - Coastal Zone Management Rules, Subchapter 9 (including shellfish habitat, surfclam areas, prime fishing areas, finfish migratory pathways, submerged aquatic vegetation, shipwreck and artificial reef habitats, and endangered or threatened wildlife or plant species habitats), Habitat Areas of Particular Concern, Essential Fish Habitat, commercial fisheries management areas and reserves, and estuary reserves;¹⁰⁹
- Identification of all potential impacts on fish and on commercial and recreational fisheries off the coast of New Jersey from pre-construction activities through decommissioning;
- A plan that describes the specific measures the Applicant will take to avoid, minimize, and/or mitigate potential impacts on fish, and on commercial and recreational fisheries, consistent with the minimum requirements in Attachment 9 herein;
- A description of the considerations related to identifying the cumulative impacts of New Jersey's offshore wind development plans, as well as interactive impacts with offshore wind development plans in neighboring states;
- A description of any commitments to fund research related to the assessment and avoidance of fisheries impacts, in addition to the required fee described in Section 2.6.10;
- An explanation of how the Applicant will provide reasonable accommodations to commercial and recreational fishing for efficient and safe access to fishing grounds;
- A description of how the Applicant will identify (or has identified) commercial and recreational fisheries stakeholders, any outreach that has occurred to date, and how the Applicant plans to engage with those stakeholders during pre-construction activities through decommissioning, as well as a plan for transparent reporting of how stakeholder concerns were addressed; and
- A description of the Applicant's plan for addressing loss of or damage to fishing gear or vessels from interactions with offshore wind structures, array or export cables, survey activities, concrete mattresses, or other Project-related infrastructure or equipment.

Attachment 9 herein describes the minimum fisheries protection requirements that will be incumbent on a Qualified Project. Attachment 9 also requires a Qualified Project to prepare an Adaptive Fisheries Monitoring Plan and an Adaptive Fisheries Mitigation Plan.

3.12 Project Timeline

Section 12 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- A timeline for the permitting, licensing, and construction of the Project (N.J.A.C. 14:8-6.5(a)(13));

¹⁰⁹ Applicants should obtain New Jersey-specific data sets from NJDEP GIS Open Data, <https://gisdata-njdep.opendata.arcgis.com/>.

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- A detailed implementation plan and schedule that highlights key milestone activities and completion dates during the permitting, financing, design, equipment solicitation, manufacturing, shipping, assembly, in-field installation, testing, equipment commissioning and service start-up (N.J.A.C. 14:8-6.5(a)(2));
- Indicate the equipment's delivery time once an order has been placed (N.J.A.C. 14:8-6.5(a)(2)(i)(12));¹¹⁰ and
- Specify the expected time requirements in the aggregate from start to finish as well as the time required to accomplish each specific activity related to Project design, resource monitoring, impact studies, permitting, construction and decommissioning activities, with associated milestones delineated for each category of activity (N.J.A.C. 14:8-6.5(a)(13)).

Section 12 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- Identify potential sources of delays in the Project schedule, and how those delays could be mitigated, or if not mitigated, how they would affect the overall Project schedule.

3.13 Interconnection Plan

As a consequence of the SAA Order, 1,148 MW of SAA Capability is available at Smithburg, which can be accessed through the LCS. The design of the Prebuild, which will develop infrastructure to allow four projects to interconnect at the LCS, allows for up to 1,500 MW on a fourth, unallocated conduit. Three of the four prebuild corridors have been designated for the Solicitation 3 awardees. The LCS and Prebuild will be sufficiently sized to accommodate a fourth 1,500 MW circuit and HVDC converter station. However, no transmission equipment is included under SAA, beyond what has already been awarded.

Each Application submitted in this Fourth Solicitation must include, at minimum:

- A Project with an HVDC export cable that lands at the Sea Girt NGTC and utilizes the fourth conduit of the Prebuild to interconnect at the LCS. This Project will be assigned the remaining SAA Capability, in the amount of 1,148 MW of energy and 327 MW of capacity, at Smithburg. Such Project will connect at the LCS and utilize SAA Capability currently reserved at Smithburg, and therefore, will be responsible for any additional TSUC required to maintain reliability for connection at the LCS. The TSUC sharing mechanism, discussed below and subject to Board approval, will be used to account for the associated TSUC.
- A Project, which may otherwise be the same as the Project above or which may otherwise be different, that does not utilize the Prebuild and interconnects at one or more POIs other than the LCS. The Applicant shall not consider SAA Capability for this Project. This Project may use HVDC or HVAC transmission. This Project may be uniquely sized.

The requirement to submit a Project connecting at the LCS does not apply to Re-Bid Projects that propose to use the POI associated with the original Qualified Project, although Re-Bid Projects may elect to submit options utilizing the Prebuild Infrastructure and SAA Capability. Applicants submitting Re-Bid Projects may maintain the POI associated with the prior Qualified Project and/or submit a new POI.

¹¹⁰ Include this information for wind turbines, foundations, undersea cables, and all other key Project components.

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Applicants are encouraged to review the FERC-approved PJM Rate Schedule 49 § 4.3 and § 6.2 (“SAA Agreement”)¹¹¹ for details on the PJM interconnection study process for offshore wind generators selected by the Board to utilize SAA Capability for capacity connecting to the LCS via the Prebuild Infrastructure.

Applicants will be responsible for all interconnection costs identified in the Project’s Generator Interconnection Agreement, unless otherwise specified by the Applicant through use of the TSUC sharing mechanism. Applicants are encouraged to engage with PJM on all interconnection matters. Re-Bid Projects may change the inputs to the TSUC sharing mechanism from what was originally submitted.

If the Applicant elects to share the TSUC, the TSUCPA will be calculated using the mechanism below, which reflects the apportionment of risk between Buyer (the Board) and Seller (the Applicant) related to the TSUC. The Buyer’s share of the TSUC is represented by the TSUCPA, calculated as shown in the following equations:

$$TSUCPA = \frac{ATSUCR}{EAOQ}$$

$$ATSUCR = BSTSUC \times AF(ROR, 20)$$

$$BSTSUC = TSUC - SSTSUC$$

$$SSTSUC = \min(TSUC, TSUCT1) \times 1.00$$

$$+ \min(\max(0, TSUC - TSUCT1), TSUCT2 - TSUCT1) \times SS2$$

$$+ \min(\max(0, TSUC - TSUCT2), TSUCS3 - TSUCT2) \times SS3$$

where:

TSUCPA = Transmission System Upgrade Cost Price Adder (Nominal \$/MWh)

EAOQ = Expected Annual OREC Quantity (MWh/year) (P50 annual profile)

ATSUCR = Annual Transmission Upgrade Cost Recovery (Nominal \$/year)

ROR = Rate of Return

AF(ROR, 20) = Annuity factor of ROR for 20-year term

BSTSUC = Buyer Share of Transmission System Upgrade Cost (Nominal \$)

TSUC = Transmission System Upgrade Cost (Nominal \$)

SSTSUC = Seller Share of Transmission System Upgrade Cost (Nominal \$)

TSUCT1 = TSUC Threshold 1 absorbed 100% by Seller (Nominal \$)

TSUCT2 = TSUC Threshold 2 absorbed by Seller at rate *SS2* (Nominal \$)

SS2 = Seller Share of TSUC up to *TSUCT2* above *TSUCT1* (fraction)

TSUCT3 = TSUC Threshold 3 absorbed by Seller at rate *SS3* (Nominal \$)

SS3 = Seller Share of TSUC up to *TSUCT3* above *TSUCT2* (fraction)

The OREC Purchase Price includes the Seller Share of TSUC up to *TSUCT1*, *TSUCT2*, and *TSUCT3*. TSUC above *TSUCT3* is fully allocable to Buyer. In addition to the OREC Purchase Price, Applicants are required to provide values for *ROR*, *TSUCT1*, *TSUCT2*, *TSUCT3*, *SS2*, and *SS3*. Applicants are free to set these parameters in accord with their own risk preference regarding the allocation of TSUC between Buyer

¹¹¹ PJM Rate Schedule 49, approved by FERC in 179 FERC ¶ 61,024 (2021).

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and Seller. Applicants are also required to provide P50 and P90 estimates of the required TSUC for the Project capacity beyond that accommodated by the SAA, including supporting information for these values to enable Board Staff to evaluate their reasonableness. The Applicant-provided estimates of the P50 and P90 values will contribute to Board Staff's derivation of a risk-adjusted estimate of TSUC to be used in the price evaluation.¹¹² The final value of the TSUCPA will be calculated using the defined parameters after the final TSUC value is determined by PJM.

Additionally, Projects using HVDC transmission will be required to include design components to allow for potential future development of and connection to an offshore transmission network ("OTN"). These design component requirements are provided in Attachment 10 herein. Applicants have the option to also submit a corresponding Project without the design components to allow for future connection to an OTN. Projects using HVAC transmission are not required to include design components to allow for future connection to an OTN.

Section 13 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq., and should incorporate the results of the Board's SAA process:

- A plan for interconnection, including engineering specifications and costs (N.J.A.C. 14:8-6.5(a)(14)) and how the project intends to utilize the SAA Capability;
- A description of the point(s) of interconnection the Project intends to use (N.J.A.C. 14:8-6.5(a)(2));
- Applicants shall show that they are currently in the PJM queue or that the Project is PJM queue eligible (N.J.A.C. 14:8-6.5(a)(10)(ii)), and when the Project would expect to be eligible to receive an interconnection agreement;
- Document tasks required and discuss issues associated with electrical interconnection, including the distance between the Project and the specified point to interconnect with the electrical grid (N.J.A.C. 14:8-6.5(a)(14)(i));
- Land acquisition requirements, new equipment to be installed, upgrades to existing equipment required, and any feasibility studies required and the timeframe for review must be identified (N.J.A.C. 14:8-6.5(a)(14)(ii));
- A detailed description of how the Project will address and mitigate load constraints in the electrical distribution and PJM transmission system for each point of interconnection (N.J.A.C. 14:8-6.5(a)(14)(iii));
- Demonstrate to the greatest extent possible how the Project will address current or potential future load pocket or constraint problems with the electric distribution system and the PJM transmission system (N.J.A.C. 14:8-6.5(a)(14)(iv));
- Indicate the location of transmission lines and all points of interconnection to the PJM system serving New Jersey (N.J.A.C. 14:8-6.5(a)(14)(v)); and
- Indicate the location of transmission lines and all points of interconnection to the PJM system serving New Jersey (N.J.A.C. 14:8-6.5(a)(14)(v)).

Section 13 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

¹¹² Board Staff will also rely on other available information where needed to derive the risk-adjusted TSUC value for use in the price evaluation.

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- If applicable, for Applicants proposing Capacity Interconnection Rights (“CIRs”) at the LCS beyond those accommodated by SAA Capability, please explain the expected CIR level, anticipated capacity accreditation value, benefit of increased capacity the Project plans to utilize, and how this capacity value relates to the energy production profile of the Project;
- If applicable, provisions for reactive compensation and harmonic filtering at the HVDC converter stations at the LCS, including any reactive power issues as necessary associated with the fourth PBI circuit;
- For Projects not connecting at the LCS, please explain the expected CIR level, anticipated capacity accreditation value, benefit of increased capacity the Project plans to utilize, and how this capacity value relates to the energy production profile of the Project;
- Supporting documentation and any other engineering justification for the P50 and P90 estimates of the TSUC reported in the Application Form;¹¹³
- Any draft or final interconnection studies conducted by PJM, or by a study conducted by a third party, including, but not limited to, the Feasibility Study, System Impact Study, and Facility Study relating to the proposed Project;¹¹⁴ and
- If applicable, OTN preparation requirements as listed in Attachment 10.

3.14 Permitting Plan

Section 14 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- A list of all State and Federal regulatory agency approvals, permits, or other authorizations required pursuant to State, and Federal law (N.J.A.C. 14:8-6.5(a)(10));
- Identify all applicable Federal and State statutes and regulations and municipal code requirements, with the names of the Federal, State, and local agencies to contact for compliance (N.J.A.C. 14:8-6.5(a)(2)(iv));
- Identify all local, State and/or Federal permits and/or approvals required to build and operate the Project and the expected time to obtain such permits and/or approvals (N.J.A.C. 14:8-6.5(a)(10)(iii));
- Identify the nature of the Applicant’s ocean lease and land ownership requirements for all aspects of the Project, including all required interconnection areas (N.J.A.C. 14:8-6.5(a)(10)(iv));
- Progress must be demonstrated in securing leases and land required, and Applicants shall propose a plan for accomplishing remaining steps toward acquiring leases or land ownership (N.J.A.C. 14:8-6.5(a)(10)(v));
- Indicate the type and number of entities securing leases or owning land (N.J.A.C. 14:8-6.5(a)(10)(v));

¹¹³ TSUC are associated with the onshore transmission owner upgrades necessitated by the Project’s interconnection request. They do not include the offshore substation and all associated facilities up to the transmission owner’s point of interconnection. The requested P90 TSUC estimate represents a conservative (high) or worse case estimate of required system upgrade costs to accommodate the Project injection at one or more points of interconnection as set forth in the Application. The Applicant is responsible for defining the operating conditions that would be likely to materially increase TSUC relative to the P50 estimate.

¹¹⁴ Any Critical Energy Infrastructure Information (“CEII”) may be filed subject to the confidentiality claims discussed in Section 2.5.

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- A plan for accomplishing remaining steps toward acquiring leases or land ownership (N.J.A.C. 14:8-6.5(a)(10)(v));
- Identify each appropriate State or Federal agency the Applicant will be contacting for land acquisition issues and provide a summary of the required arrangements (N.J.A.C. 14:8-6.5(a)(10)(vi)); and
- Demonstrate adequate financial resources to acquire any land and/or leases needed to undertake the Project (N.J.A.C. 14:8-6.5(a)(10)(vii)).

Section 14 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- A list of all local regulatory agency approvals, permits, or other authorizations required pursuant to local law;
- A list of all State, Federal and local regulatory agency approvals, permits, or other authorizations required to develop, expand, or otherwise utilize port facilities;
- A strategy, including the expected timeline (aligned with the Project Timeline described in Section 3.12), to obtain each required permit and/or approval;
- Identify the land ownership requirements for the port facilities included in the Project; and
- Identify each local, State and Federal agency the Applicant has contacted for land acquisition issues and provide a summary of the required arrangements.

Attachments to Section 14 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- Copies of all submitted permit applications and any issued approvals and permits (N.J.A.C. 14:8-6.5(a)(10)); and
- Filings made to any other regulatory or governmental administrative agency including, but not limited to, any compliance filings or any inquiries by these agencies (N.J.A.C. 14:8-6.5(a)(10)(ix)).

An award to build a Qualified Project is contingent upon the successful Applicant obtaining all required local, State and/or Federal permits and/or approvals (N.J.A.C. 14:8-6.5(a)(10)(i)). The books and records of the Applicant shall be subject to review and audit by the Board, or any other State entity or State designee (N.J.A.C. 14:8-6.5(a)(10)(viii)). Applicants shall provide the Board with copies of each permit or approval within 14 days of receipt by the Applicant. This is a continuing obligation upon the Applicant and shall serve as a condition of any OREC award (N.J.A.C. 14:8-6.5(a)(10)(iii)).

3.15 O&M Plan

Section 15 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- An O&M plan for the 20-year contract term for each phase of the Project (N.J.A.C. 14:8-6.5(a)(7));
- Detail routine, intermittent, and emergency protocols (N.J.A.C. 14:8-6.5(a)(7)(i));
- Demonstrate that the Applicant has the financial capacity and technical expertise to perform all necessary upkeep/maintenance over the life of the Project (N.J.A.C. 14:8-6.5(a)(7)(ii));

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- Identify 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 (N.J.A.C. 14:8-6.5(a)(7)(iii));¹¹⁵
- Describe the emergency shut down provisions in the event of a need for the immediate stoppage of turbine blades (N.J.A.C. 14:8-6.5(a)(7)(iv));
- Identify specific and concrete elements to ensure both construction and operational cost controls (N.J.A.C. 14:8-6.5(a)(7)(v));
- Provide proof of insurance typical of the industry (N.J.A.C. 14:8-6.5(a)(7)(vi));
- Identify the projected plan for the subsequent operational term, assuming any necessary Federal lease agreements are maintained and renewed (N.J.A.C. 14:8-6.5(a)(7)(vii)); and
- Provide a complete O&M plan for the life of the plant (N.J.A.C. 14:8-6.5(a)(7)(viii)).

Section 15 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- If the Applicant has selected an O&M contractor, identify the contractor and demonstrate that it has the financial capacity and technical expertise to perform all necessary upkeep/maintenance over the life of the Project;
- Identification of the port(s) that will be used to support O&M of the Project and the activities that will be conducted at each port;
- Describe how the built infrastructure will be made resilient to expected future impacts of climate change;
- Address the potential for cable exposure over the lifetime of the project and provide plans for reburial if necessary;
- Address the length of equipment downtime and timing of repair and replacement for the mitigation measures associated with potential risks, including, but not limited to, hurricanes, lightning, fog, rogue wave occurrences, and exposed cabling;
- A detailed description of the vessels that will be used for the O&M of the Project, including how Jones Act compliance will be addressed for each vessel and/or vessel class, plans for obtaining such vessels, and status and timing of availability of the vessels planned for usage;
- A detailed description of the types of condition monitoring technology the Applicant is going to use and the assigned probability of failures relating to certain potential risks;
- A detailed description of the regular foundation monitoring measures to be employed that will produce reliable data regarding foundation integrity and degradation, both during and beyond the 20-year OREC period, as well as potential foundation strengthening and retrofit measures to be taken; and
- A description of any non-standard insurance product that the Applicant may seek with respect to the Project.

3.16 Decommissioning Plan

Section 16 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

¹¹⁵ Climatic risks should also be included in the identification of risks.

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- A decommissioning plan for the Project including provisions for financial assurance for decommissioning and which complies with any applicable State and Federal statutes and/or regulations (N.J.A.C. 14:8-6.5(a)(9));¹¹⁶
- Estimate an expected useful economic life for the technology and installation area proposed (N.J.A.C. 14:8-6.5(a)(9)(i));
- Specify a Project decommissioning plan for the technology and installation area proposed (N.J.A.C. 14:8-6.5(a)(9)(i));
- Include the anticipated cost of decommissioning the Project based on applicable and/or anticipated regulatory and engineering requirements (N.J.A.C. 14:8-6.5(a)(9)(ii)); and
- Provide for the necessary future funding. Segregated decommissioning funds shall be required (N.J.A.C. 14:8-6.5(a)(9)(ii)).

Section 16 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- Description of prior Applicant decommissioning experience; and
- Description of how decommissioned components will be recycled, reused, or disposed of.

3.17 Cost-Benefit Analysis

Section 17 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- The cost-benefit analysis for the Project, to show net benefits for the State (N.J.A.C. 14:8-6.5(a)(11));
- Ratepayer net costs with explicit listing of foundations, assumptions and conditions, consistent with the Project's financial analysis (see Section 3.4), revenue plan (see Section 3.7) and values submitted in the Application Form (N.J.A.C. 14:8-6.5(a)(11)(ii));¹¹⁷
- Direct, indirect and induced effects of the Economic Development Plan described in Section 3.8 (N.J.A.C. 14:8-6.5(a)(11)(ix));
- Environmental net benefits, quantified and monetized as described in Section 0, with explicit listing of foundations, assumptions and conditions (N.J.A.C. 14:8-6.5(a)(11)(iii));
- Provide information on any State grants or other subsidies from the NJEDA or other agencies associated with the Project and include the subsidy as part of the Project cost-benefit analysis (N.J.A.C. 14:8-6.5(a)(11)(viii)); and
- An analysis of the potential positive and negative impacts on residential and industrial ratepayers of electricity rates over the life of the Project that may be caused by OREC requests (N.J.A.C. 14:8-6.5(a)(11)(xv)).

Section 17 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

¹¹⁶ Decommissioning plan should also address the Project's transmission cables.

¹¹⁷ Ratepayer net costs must not include the value of potential decreases in market prices attributable to the Project.

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- Monetization of the direct, indirect, and induced effects of the Economic Development Plan shown as a present value in dollars discounted to December 31, 2023 at a 7% nominal discount rate.

3.18 Application Form

The Application Form requires entry of the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- Full business information, including the Applicant's name, primary contact person, website, telephone numbers, e-mail address and street address (N.J.A.C. 14:8-6.5(a)(1));
- Proposed nameplate capacity for the entire Project (N.J.A.C. 14:8-6.5(a)(2)(v); N.J.A.C. 14:8-6.5(a)(6)(iv); N.J.A.C. 14:8-6.5(a)(12)(viii)(5));¹¹⁸
- Assumed capacity factor (N.J.A.C. 14:8-6.5(a)(2)(v), N.J.A.C. 14:8-6.5(a)(12)(viii)(7));¹¹⁹
- Projected electrical output for the Project (N.J.A.C. 14:8-6.5(a)(6), N.J.A.C. 14:8-6.5(a)(6)(iv); N.J.A.C. 14:8-6.5(12)(viii)(6));¹²⁰
- Net yearly energy output for the Project, accounting for losses (N.J.A.C. 14:8-6.5(a)(2)(v));¹²¹
- The number of ORECs to be produced by the Project (N.J.A.C. 14:8-6.5(a)(12)(viii)(7));
- A proposed OREC pricing method and schedule for the Board to consider, including the price per OREC necessary to make the Project commercially viable. The Board requires a fixed, flat OREC price for the proposed term or a fixed price for every contract year. All proposals must include a total price that reflects capacity, energy, and other elements of generation (N.J.A.C. 14:8-6.5(a)(12); N.J.A.C. 14:8-6.5(a)(12)(iii); N.J.A.C. 14:8-6.5(a)(12)(viii)(8));¹²²
- 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 ORECs, RECs, air emissions credits or offsets, or any tradable environmental attributes created by the Project (N.J.A.C. 14:8-6.5(a)(6));¹²³ and

¹¹⁸ N.J.A.C. 14:8-6.5(a)(6)(iv) refers to "installed capacity." For purposes of this SGD, the terms "nameplate capacity" and "installed capacity" are used synonymously and represent the total installed wind turbine capacity.

¹¹⁹ Calculated automatically based on expected generation profile as a fraction of installed capacity by month and hour of day.

¹²⁰ N.J.A.C. 14:8-6.5(a)(6)(iv) refers to "energy production." N.J.A.C. 14:8-6.5(12)(viii)(6) refers to "energy output." For purposes of this SGD, the terms "electrical output," "energy production," "energy output," and "generation" are used synonymously. The electrical output must be calculated automatically based on expected generation profile as a fraction of installed capacity by month and hour of day and installed capacity by month and calendar year.

¹²¹ Net yearly energy output should reflect the projected electrical output, and also be net of operational efficiency and degradation effects. The Application Form calculates output automatically based on expected generation and delivered energy as a fraction of expected generation by month and calendar year.

¹²² The all-in OREC Purchase Price must be entered for each Energy Year of the 20-year contract period in nominal \$/OREC, levelized for 20 years or escalated at a fixed rate not exceeding 3%. The same OREC Purchase Price for an Energy Year will apply to all ORECs generated within that Energy Year regardless of the capacity phase with which the OREC is associated.

¹²³ The Application Form requires a monthly forecast of energy prices and an annual forecast of capacity prices.

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- Specific assumptions and inputs used in the input-output modeling, sufficient for replication of the results (N.J.A.C. 14:8-6.5(a)(11)(x)).¹²⁴

The Application Form also requires entry of the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- Electric generation facility name;
- BOEM lease area;
- Project name;
- Secondary contact person and such person's contact information;
- Number of capacity installation phases;
- Wind turbine generator nameplate capacity and COD for each capacity installation phase;¹²⁵
- 12x24 profile of expected generation as a fraction of installed capacity by month and hour of day, consistent with the energy production estimate (see Section 3.3);
- Delivered energy as a fraction of expected generation by month and calendar year;
- Expected delivered energy by month and calendar year (accounting for losses);¹²⁶
- Annual OREC Allowance, consistent with the estimated energy output;
- Parameters to determine Buyer's share of PJM's final TSUC;
- Expected annual direct in-State jobs creation (in FTE-years¹²⁷), labor expenditures, and total expenditures (separated between direct capital investments, direct supply chain purchases, and direct transfers to governments or non-profits for supply chain or workforce development) by phase (development, manufacturing (if applicable), construction, operation, and decommissioning), subject to the following guidelines:
 - Total in-State expenditures must include the expenditures related to jobs;
 - FTE-year values for in-State job creation are required to be provided as estimates based on the best engineering values in possession of the Applicant (economic model outputs are not the appropriate source for these values);
 - Data provided for the operation phase for this and other requirements shall include the full Project life, not limited to the OREC term; and
 - Operation phase data shall be differentiated between the periods during and after the wind turbine generator vendor's service and maintenance agreement contract term;
- Expected total annual in-State indirect and induced economic impacts, including jobs creation (by labor category if available), labor expenditures, and total expenditures, as calculated by the Applicant's input-output model;
- Summary of economic impacts;

¹²⁴ Board Staff may ask the Applicant to rerun the model with other assumptions and inputs to be provided by Board Staff (N.J.A.C. 14:8-6.5(a)(11)(xi)). Board Staff may test an Applicant's cost-benefits analysis on its own model, by replicating the analysis using the model inputs supplied by the Applicant (N.J.A.C. 14:8-6.5(a)(11)(xii)).

¹²⁵ Each Project phase will have a distinct 20-year term beginning on the phase's COD.

¹²⁶ Calculated automatically based on expected generation and delivered energy as a fraction of expected generation by month and calendar year.

¹²⁷ FTE Year is the amount of time one Full Time Equivalent worked would spend working during one (1) calendar year.

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- Guaranteed minimum total in-State direct jobs creation (in FTE-years), and total in-State expenditures by phase (total values for the development and construction phases, annual values for the operation phase);
- Annual direct emissions of CO₂, SO₂, NO_x, and PM_{2.5} from vessels, vehicles, equipment, and other sources during development, construction, operation, and decommissioning of the Project; and
- Annual avoided emissions of CO₂, SO₂, NO_x, and PM_{2.5} during operation of the Project.

4 CRITERIA FOR EVALUATION OF APPLICATIONS

To be eligible to win an award for the sale of ORECs, an Applicant must:

1. Submit an Application found to be administratively complete by the BPU;
2. Submit an OREC Purchase Price offer that meets all requirements of OWEDA and N.J.A.C. 14:8-6.5 *et seq.*;
3. Demonstrate a positive net benefit, subject to confirmation by Board Staff, reflecting in-State economic and environmental benefits;
4. Have a reasonable ratepayer impact in the eyes of the BPU; and
5. Demonstrate that the Project is viable and is likely to begin commercial operation on time.

The Applications will be evaluated based on criteria which reflect the requirements of OWEDA, the Board's rules and the goals of New Jersey's offshore wind policy. Ranking and weighting of the evaluation criteria by the BPU will reflect the goals of the solicitation especially as stated in EO 8, EO 92, and EO 307. Those goals include: (a) contributing to a stronger New Jersey economy by anchoring an offshore wind supply chain in the State; (b) combating global climate change to protect New Jersey and also to protect New Jersey's natural resources; (c) providing added reliability for the transmission network and transmission rate relief for ratepayers; and (d) achieving all of this at the lowest reasonable cost and risk to New Jersey ratepayers. To this end, the following weighting will be applied in the evaluation:

Table 5. Weighting of Evaluation Criteria

Criterion	Weight
OREC Purchase Price and Ratepayer Impacts	60%
Economic Impacts and Strength of Guarantees for Economic Impacts	20%
Environmental and Fisheries Impacts	10%
Likelihood of Successful Commercial Operation	10%

Aspects of likelihood of successful commercial operation related to feasibility of Project design will also be used to determine whether a Project is eligible to become a Qualified Project.

The BPU may reflect in its evaluation the possible benefit of optimizing transmission and interconnection, and of having a diversity of selected Applicants, technology types, and wind resource locations.

4.1 Evaluation of OREC Purchase Price and Ratepayer Impacts

OREC Purchase Price includes meeting the requirement for a fixed pay-for-performance price, as well as plans for maximizing revenue from the sales of energy, capacity, and ancillary services, which are

credited back to ratepayers. Ratepayer Impacts include the average increase in residential and industrial customer bills. The Board will also consider the timing of any rate impacts.

The evaluation of OREC Purchase Prices will be based on the inflation adjusted levelized price per MWh. The final price related score and corresponding ratepayer impact will reflect the Board’s expectation of the change in each index included in the adjustment mechanism between the BAFO Submission Deadline and the date three years before the proposed COD for each Project. An estimate of the Project’s TSUCPA will also be included for purposes of the price evaluation, if applicable. The quantitative impact of the total award capacity on the level of Ratepayer Impacts will be considered in the selection of Qualified Projects.

Per N.J.A.C. 14:8-6.5(a)(12), if the pricing proposal satisfies the cost-benefit standards set forth in the statute and the Board’s regulations, the Board may approve the Application subject to the Application satisfying other required conditions. The Board may conditionally approve an Application at a lower OREC price if that OREC price would allow the Applicant to satisfy the cost-benefit standards. The Applicant may then accept or reject the lower OREC price.

4.2 Evaluation of Non-Price Considerations

1. **Economic impacts** – This includes, among other metrics, the number of in-State jobs created by the Project, increase in wages, taxes, receipts, in-State expenditures, and State gross product for each MW of capacity constructed, including development of the New Jersey offshore wind supply chain and utilization of port and existing supply chain facilities. Guaranteed in-State employment impacts and spending and the associated indirect and induced economic impacts will be weighted as shown in Table 6 herein. Expected, but not guaranteed, direct employment and spending may be considered qualitatively in the evaluation but will not be quantitatively assessed.

Table 6. Relative Economic Impacts Weighting Associated with Guaranteed Spending¹²⁸

	Weighting
Direct	100%
Indirect	50%
Induced	40%

Out-of-State employment and spending will not be considered in the evaluation of an Application. Applicants are therefore encouraged to formulate Local Supplier Engagement Plans and Workforce Development Plans that reasonably maximize employment in New Jersey during Project development, construction and operation.

In addition, the following will be considered when evaluating economic benefits:

- Strength of guarantee proposed by the Applicant for economic benefits,

¹²⁸ Neither indirect nor induced economic impacts associated with guaranteed direct employment and spending will be subject to shortfall mitigation.

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- Incremental supply chain investments aligned with State goals, including preferences for full-scale manufacturing of nacelles, cables and other components manufactured at a Tier 1 manufacturing facility or supplied by a Tier 2 supplier,
 - Employment and spending associated with utilization of the NJWP and other existing or under development wind supply chain and infrastructure facility investments in New Jersey,
 - Quality of Supplier Engagement Plan including contracting targets for the State and New Jersey SMWVBES,
 - Quality of Workforce Development Plan including commitments to high-quality long-term jobs, hiring targets for State residents and residents of OBCs, and commitments to work with labor unions, and
 - Economic benefits to OBCs.
2. **The strength of guarantees for economic impacts** – This includes all measures proposed to assure that guaranteed in-State expenditures and jobs commitments will materialize, as well as the disposition mechanism(s) for the 10% of any shortfalls in economic impacts relative to guarantees to be proposed at Applicant’s discretion, subject to Board approval.
 3. **Environmental and fisheries impacts** – This includes the feasibility and strength of the Applicant’s plans to avoid, minimize, or mitigate onshore and offshore impacts created by Project development, construction and operation, including the impact on surrounding land use, communities, environmentally and culturally sensitive areas, and commercial and recreational fishing, as well as the net reductions of pollutants for each MWh generated. This will include a review of the provided Environmental Protection Plan, Data Management and Availability Plan, Offshore Wind Infrastructure Monitoring Plan, and Fisheries Protection Plan.
 4. **Likelihood of successful commercial operation** – This includes the quality of Project timelines, permitting plans, financing plans, equipment and labor supply plans, port facilities and marshalling plans, and the current progress displayed in achieving these plans. Projects with an earlier COD and that are further along in the development process will be considered favorably. The BPU will also consider the Applicant and its corporate parent companies’ history of withdrawing from or failing to meet the requirements of prior awards in New Jersey or elsewhere in the U.S.