



**New Jersey Offshore Wind
Third 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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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 Third 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 Third Solicitation.

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 Prebuild Infrastructure, to allow each Qualified Project to install and maintain its own transmission cables without impacting other Qualified Projects’ transmission cables.

Contingent Project, a Project submitted in response to this Third Solicitation which is contingent upon the outcome of the New York State Energy Research and Development Authority (“NYSERDA”) or Rhode Island Energy concurrent offshore wind solicitations.

Duct Bank, the concrete structure between Cable Vaults that house 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 would 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 2023 runs from June 1, 2022 through May 31, 2023.

Environmental Protection Plan (“EPP”).

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

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.

National Guard Training Center (“Sea Girt NGTC”), facility in Sea Girt, where Projects submitted in response to the Third Solicitation are required to make landfall.

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, LLC (“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, a concept that would require a single Qualified Project to construct the necessary Duct Banks and Cable Vaults for its own Qualified Project as well as the additional Qualified Projects needed to fully utilize 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.

Prebuild Infrastructure, the Duct Banks and Cable Vaults associated with the Prebuild.

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 Third 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, and includes the associated transmission-related interconnection facilities and equipment, and 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.

Research and Monitoring Initiative (“RMI”), initiative administered by NJDEP and BPU that seeks to employ a rigorous scientific approach to research and monitoring of marine and coastal resources during the development, construction, operation and decommissioning of offshore wind as recommended in the [New Jersey Offshore Wind Strategic Plan](#).

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.

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.

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

Tier 1 manufacturing facility, a facility that contracts with an Applicant for a major contract package or component, such as turbines, blades, towers, foundations, 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 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 Third 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 Third Solicitation, becomes a Qualified Project once it has been approved by the BPU.¹ 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 Third 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, 2018.² The purpose of EO 8 was to reinvigorate the implementation of the State’s Offshore Wind Economic Development Act (“OWEDA” or the “Act”).³ 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.”⁴ 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.”⁵ To this end, in EO 8, Governor Murphy set a “goal of 3,500 MW of offshore wind energy generation by the year 2030.”⁶

¹ N.J.A.C. 14:8-6.1.

² See Exec. Order No. 8, 50 N.J.R. 887(a) (Feb. 20, 2018). Executive Order No. 92 and Executive Order No. 307 increased the State’s offshore wind goal, as discussed herein. Exec. Order No. 92, 51 N.J.R. 1817(b) (Dec. 16, 2019) (“EO 92”); Exec. Order No. 307, 54 N.J.R. 1945(a) (Oct. 17, 2022) (“EO 307”). All other provisions of EO 8 remained in full force and effect.

³ 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.

⁴ EO 8.

⁵ Id.

⁶ Id.

As required by OWEDA, the Board adopted rules that provided an application process and evaluation framework for wind turbine electric generation facilities.⁷ EO 8 also directed the BPU to begin the rulemaking process to establish the OREC Funding Mechanism.⁸ 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.⁹ In September 2018, the BPU issued a solicitation for 1,100 MW of offshore wind energy generation (“First Solicitation”).¹⁰ In June 2019, the BPU approved an Application for a 1,100 MW offshore wind generation project submitted by Ocean Wind LLC.¹¹

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 2035.¹² 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.”¹³ 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.”¹⁴

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, LLC¹⁵ and a 1,148 MW project submitted by Ocean Wind II, LLC.¹⁶

On February 28, 2022, the BPU announced an updated offshore wind solicitation schedule to meet the 7,500 MW goal by 2035.¹⁷ This updated schedule included revising the Third Solicitation schedule to

⁷ N.J.A.C. 14:8-6.1 et seq.

⁸ See N.J.A.C. 14:8-6.6.

⁹ Id.

¹⁰ 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”).

¹¹ 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”).

¹² See EO 92.

¹³ Id.

¹⁴ Id.

¹⁵ 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.

¹⁶ 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”).

¹⁷ BPU, New Jersey Updates Schedule for Third Offshore Wind Solicitation (Feb. 28, 2022), <https://www.nj.gov/bpu/newsroom/2022/approved/20220228.html>.

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.¹⁸

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.¹⁹

The BPU solicitation schedule to meet the 11,000 MW goal is shown in Table 1 below.

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		Q1 2023	Q2 2023	Q4 2023	2030
4	1,200**		Q3 2024	Q4 2024	Q2 2025	2032
5	1,200**		Q3 2026	Q4 2026	Q2 2027	2034
6	1,200**		Q3 2028	Q4 2028	Q2 2029	2036
7	1,200**		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

On October 26, 2022, the Board issued the SAA Order,²⁰ where it found the Larrabee Tri-Collector Solution to be the most desirable SAA solution at this time.²¹ In accordance with the SAA Order, or

¹⁸ 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>.

¹⁹ See EO 307.

²⁰ *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 (“SAA Order”).

²¹ *Id.* 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 points of

unless otherwise noted in this document, each Project submitted in response to the Third Solicitation must utilize the SAA solution, as discussed in more detail in Section 3.13 herein.

Additionally, each Project must include an option for the construction of the Prebuild Infrastructure, as such term is defined in Section 3.12, from a landfall point at the [National Guard Training Center at Sea Girt](#) to the LCS, also discussed in more detail in Section 3.13.²² All Projects submitted in response to this Third Solicitation must utilize the Prebuild Infrastructure.

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.²³ The OREC Purchase Price will be fixed for each year over the first 20 years of the Qualified Project’s commercial operation. Once the BPU approves one or more Qualified Projects, the BPU will establish a statewide OREC purchase requirement for future Energy Years²⁴ 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.²⁵

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.”²⁶ 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.²⁷ 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.

interconnection 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 27, 60.

²² See <https://www.nj.gov/military/admin/departments/ngtc/>. The LCS is a new substation adjacent to the existing JCP&L Larrabee substation that will be built as part of the Larrabee Tri-Collector Solution. Id. at 60.

²³ N.J.A.C. 14:8-6.5(a)(12)(vii).

²⁴ N.J.A.C. 14:8-6.1.

²⁵ “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.

²⁶ Id.

²⁷ Id. See also N.J.A.C. 14:8-6.6(a)(5). This timing allows the OREC to be banked for future use.

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. The Applicant is responsible for any Qualified Project cost overruns.²⁸ Ratepayers will not be responsible for any costs associated with non-performance that an Applicant incurs with respect to its Qualified Project.²⁹

With respect to any proposed Project, the burden remains on the Applicant to propose an OREC price and schedule.³⁰ 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.³¹ 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 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.³² Applicant must propose a price per OREC (MWh) that makes the Project commercially viable.³³ 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 proposed OREC price.³⁴

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, for the Project (covering everything other than the Prebuild Infrastructure) that will be payable for each MWh produced by the Project up to the Annual OREC Allowance.³⁵ Note, the fixed annual escalator would be independent of the inflation adjustment mechanism described below. The Applicant must also propose either (1) a separate fixed, flat OREC price or (2) a fixed first year price and a fixed annual escalator for the Prebuild Infrastructure. The OREC Purchase Price for the Project should not include the Duct Banks or Cable Vaults for the Project. If the Project is selected to construct the Prebuild Infrastructure, the OREC Purchase Price will be the sum of the two OREC prices (Project and Prebuild). If another Project is selected to construct the Prebuild Infrastructure, the OREC Purchase Price will be the Project OREC price, and the Project will utilize the Prebuild Infrastructure constructed by another entity.

The submitted OREC pricing for each Project and the Prebuild Infrastructure component will be adjusted for inflation upon BOEM approval of the Construction and Operations Plan (“COP”). The inflation adjustment will use the following mechanism, with the adjustment multiplier calculated to one decimal place:

²⁸ 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 Third Solicitation do not include any potential cost overruns associated with construction of the Board approved SAA projects.

²⁹ Id.

³⁰ N.J.A.C. 14:8-6.5(a)(12).

³¹ N.J.A.C. 14:8-6.5(a)(12)(viii)(5)-(7).

³² N.J.A.C. 14:8-6.5(a)(12)(viii)(1)-(4).

³³ N.J.A.C. 14:8-6.5(a)(12)(viii)(8).

³⁴ N.J.A.C. 14:8-6.5(a)(12)(iii).

³⁵ Id.

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

where:

$OREC_{inf}$ is the First Energy Year OREC price after inflation adjustment at BOEM approval of the COP;

$OREC_{base}$ 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 six months before and six months after BOEM approval of the COP;

$Index_{I,i}$ is the average index value for price component i over the twelve months prior to the Application Submission Deadline;³⁶ 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, are shown in Table 2.

Table 2. Components and Indices for Inflation Adjustment

Component	F Value ³⁷	Index
Fixed	0.2	N/A
Labor (unitless index)	0.3	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)	0.1	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, including, but not limited to, tax credits, subsidies, grants, or other funding not previously identified in the Applicant’s Application and not included in the Applicant’s OREC price

³⁶ The Application Submission Deadline is set forth in “Table 3: Third Solicitation Timeline” herein.

³⁷ F Values are based on responses to Request for Information 1.

calculation.³⁸ 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.

1.3 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 to NYSERDA or Rhode Island Energy, and that without allowing contingencies it may hinder Applicants' ability to successfully develop a specific Project for New Jersey for submittal in this Third Solicitation. In order to enable increased competition in this Third 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 solicitation (NYSERDA or Rhode Island Energy) upon which the Contingent Project is contingent;
- (ii) The Applicant must notify BPU staff ("Board Staff") that a Contingent Project should be removed from consideration no later than three business days after receiving notice of an award from NYSERDA or Rhode Island Energy;
- (iii) The Applicant must notify Board Staff no later than July 31, 2023, whether a Contingent Project should be removed from consideration even if Applicant has not been notified of selection for negotiation of a contract by NYSERDA or Rhode Island Energy prior to that date;
- (iv) In the event that Board Staff learns that a Contingent Project has been selected for negotiation of a contract by NYSERDA or Rhode Island Energy, Board Staff, in its sole discretion, may terminate consideration of a Contingent Project no later than July 31, 2023, absent notification from the Applicant;
- (v) Board Staff, in its sole discretion, may extend the deadline for notification and termination regarding a Contingent Project one time, for up to 30 additional days;
- (vi) An Applicant's withdrawal of a Contingent Project submitted to the Board will not result in the return of any portion of the Application Deposit submitted by the Applicant; and,
- (vii) 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.

2 TIMELINE AND MECHANICS OF THE SOLICITATION

2.1 Timeline for Submission and Evaluation

The timeline for this solicitation is shown in Table 3.

³⁸ 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.

Table 3. Third Solicitation Timeline

Event	Date
Board Consideration of Solicitation	March 6, 2023
Solicitation Issued	March 6, 2023
Bidders' Conference for all prospective Applicants	March 24, 2023, 9:30 am-12:30 pm EDT
Deadline for prospective Applicants to Submit Questions	May 12, 2023, 5:00 pm EDT
Notice of Intent to Respond Submitted	May 23, 2023, 5:00 pm EDT
Application Submission Deadline	June 23, 2023, 5:00 pm EDT
Administrative Completeness Determination Deadline	July 23, 2023
Board Decision on Submitted Applications	December 2023
Post-Application Meeting (if requested by an Applicant)	February 2024

2.2 Website and Bidders' Conference

The BPU created a [website](#) for this Third Solicitation ("Solicitation Website").³⁹ The Solicitation Website will host all Third 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 Third Solicitation using the Board's Public Document Search tool [under Docket No. QO22080481](#).⁴⁰ Stakeholders can also subscribe to Third 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 March 17, 2023 by e-mailing Andrea Hart at: Andrea.Hart@bpu.nj.gov. 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 Third Solicitation, including Application requirements and evaluation criteria. Representatives of the Sea Girt NGTC and MAOD will also participate in the Bidders' Conference and be available to answer questions about the required landing point and POI, respectively. An agenda and any additional details on the Bidders' Conference will be released prior to the Bidders' Conference.

To ensure that all Applicants have the same information, a Q&A page will be established on the Solicitation Website.⁴¹ 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

³⁹ See BPU, New Jersey Offshore Wind Solicitation #3, <https://www.njoffshorewind.com/>.

⁴⁰ See BPU, Public Document Search, https://publicaccess.bpu.state.nj.us/CaseSummary.aspx?case_id=2111375.

⁴¹ See BPU, New Jersey Offshore Wind Solicitation #3, <https://njoffshorewind.com/third-solicitation/questions-and-answers/>.

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. 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 3. 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 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

Applicants must submit at least one Project that will utilize only 1,200 MW of SAA Capability. Applicants are also encouraged to submit Applications covering a range of Project sizes that exceed 1,200 MW. Other than the required Project that will utilize only 1,200 MW of SAA Capability, Applicants are not required to submit Project sizes in increments of 1,200 MW. There is no limit on the number of Projects that can be included in a single Application. This 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. Bidders should be cognizant that the BPU seeks to optimize utilization of the Prebuild Infrastructure and SAA Capability. Additional information about utilizing SAA Capability, connecting to the LCS and capacity flexibility is provided in Section 3.13.

Each Applicant must include a Prebuild Infrastructure design as part of each Project submission, in accordance with Section 3.13 below. If a Prebuild Infrastructure design is the same for more than one Project, one common design may be referenced in each of those Projects.

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.⁴² If an Applicant includes storage as part of a Project, a Project option must also be included in the Application that does not include storage, but is otherwise the same design (except for design parameters related to storage). An incremental Application Deposit is not required for the Project option that includes energy storage.

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 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 June 30, 2023 (five 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 representatives of the Division of Rate Counsel ("Rate Counsel") 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 New Jersey Department of Environmental Protection ("NJDEP") and Board Staff together, and representatives of the New Jersey Economic Development Authority ("NJEDA") and Board Staff together no less than 30 days prior to the submission of an Application. Instructions for scheduling meetings with each of these parties will be posted to the Solicitation Website.

The Board's rules of practice prohibit Applicants and Commissioners of the Board from discussing the Third Solicitation, or topics directly related to the Third Solicitation, from the date the Third Solicitation is issued until the date the Board Order announcing Qualified Projects for the Third Solicitation ("Board Decision") is issued, which is currently anticipated to occur in December 2023. If an Applicant has a need

⁴² 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, and economic impacts.

to meet with one or more Commissioner(s) on matters unrelated to the Third Solicitation, which is discouraged during the time which the Third 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.⁴³ 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.⁴⁴

Board Staff expects to ask questions of Applicants regarding administratively complete Applications ("Clarifying Questions") throughout the evaluation period. Applicants will generally have two (2) weeks 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.⁴⁵ These activities – Clarifying Questions and interviews – are expected to occur in Q3 and Q4 2023. 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 December 2023.

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.

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.⁴⁶ 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-

⁴³ N.J.A.C. 14:8-6.4(b).

⁴⁴ N.J.A.C. 14:8-6.4(c).

⁴⁵ The venue and format for interviews will be determined when the interviews are scheduled. Remote participation will generally be permitted.

⁴⁶ N.J.S.A. 47:1A-1 et seq.

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. QO22080481](#).

For the confidential version of the Application, Applicants must include a statement identifying each type of data or materials it asserts are exempt from public disclosure under OPRA and/or the common law, and explaining 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, and other commitments. While there may be limited instances where material may remain confidential after 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." N.J.A.C. 17:12-1.2(b)-(c).

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.

All Applicants must execute a Nondisclosure Agreement (“NDA”) (Attachment 13 herein) with Rate Counsel and include the fully executed NDA with their Application on or prior to the Application Submission Deadline. One NDA per Applicant (not per Project) will suffice.

2.6 Performance Guarantee

Within 90 days after the effective date of the Board Decision, each awarded Qualified Project shall make a compliance filing with the Board that binds the awardee, and their successors or assigns, to meeting the following commitments, as applicable, made by the Qualified Project and approved by the Board in the Board Decision:

1. Tier 1⁴⁷ infrastructure investment commitments⁴⁸ (“Tier 1 Investment Commitments”).
2. Completion of the Prebuild Infrastructure.
3. Achieving the final phase COD of the Qualified Project.

The compliance filing shall include:

1. A schedule with specific dates for each of the Critical Milestones in each applicable category listed below. The compliance filing may propose alternate Critical Milestones if other Critical Milestones better align with the realization of the Qualified Project’s commitments. Alternate Critical Milestones are subject to Board approval.
2. A detailed description and copy of the proposed financial instrument(s) to be used to secure the Qualified Project’s commitments (“Commitment Security”).

Critical Milestones for Tier 1 Investment Commitments

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 designating the Qualified Project

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 designating the Qualified Project

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 designating the Qualified Project

Critical Milestones for the Prebuild Infrastructure

Critical Milestone 1: Receipt of all necessary permits and approvals from relevant federal, state and local authorities for construction of the Prebuild Infrastructure.

⁴⁷ Tier 1 is defined as the primary supplier who contracts directly with the Qualified Project developer to deliver a major contract package.

⁴⁸ 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.

Critical Milestone 2: Completion of at least 50% of the construction of the Prebuild Infrastructure, as a percentage of the total Prebuild Infrastructure construction cost.

Critical Milestone 3: Completion of construction of the Prebuild Infrastructure.

Critical Milestones for the Completion of the Qualified Project

Critical Milestone 1: BOEM approval of the COP.

Critical Milestone 2: Achievement of the first phase (if applicable) Commercial Operation Date (“COD”).

Critical Milestone 3: Achievement of the final phase COD.

The Qualified Project shall provide Board Staff with written notice, copying the New Jersey Division of 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 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 upon receipt of the requested documentation or clarification from the Qualified Project.

Not less than three 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 as-of-right 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-month extension period are subject to Board approval.

Financial Commitment

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

The Qualified Project responsible for the Prebuild Infrastructure shall be required to post an additional Commitment Security in the amount of 100% of the proposed cost of the Prebuild Infrastructure. A Qualified Project shall post 100% of the Prebuild Infrastructure Commitment Security within 60 days of the effective date of the Board Decision.

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. A Qualified Project shall post 50% of this Commitment Security within 60 days prior to the date for Critical Milestone 1 as contained in the

Compliance Filing, with the balance posted within 60 days prior to the date for Critical Milestone 2 as contained in the Compliance Filing. This Commitment Security may be posted by the Qualified Project or the Original Equipment Manufacturer (“OEM”), as the Qualified Project and the OEM shall so agree.

The Commitment Security may be in the form of: i) one or more parent company guarantees, if the parent is investment grade (defined as having one or more credit rating of BBB or above from Standard and Poor's or Baa3 or above from Moody's, or comparable alternative rating agency); ii) one or more letters of credit from an investment-grade third-party financial guarantor (defined as an institution with a rating of BBB or above from Standard and Poor's or Baa3 or above from Moody's); and/or iii) upon Petition 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.⁴⁹ 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 Security be split between the parent companies.

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

Commitment Security for each of the three applicable categories above may be reduced, if approved by the Board as described above, by 20 percentage points for achieving Critical Milestone 1 and 20 percentage points for achieving Critical Milestone 2. Upon completion of the final Critical Milestone for that category, the Commitment Security shall be closed if all prior Critical Milestones in that category have been achieved. For example, if Critical Milestone 1 for the Prebuild commitment is met, the Commitment Security for the Prebuild may be reduced by the total Prebuild Security multiplied by 20 percentage points.

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

If a Qualified Project misses a Critical Milestone in any of the three categories above, the Qualified Project shall forfeit an amount equal to the total Commitment Security posted for that category, multiplied by the percentage value assigned to each relevant Critical Milestone, as set forth above. 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 20 percentage points.

⁴⁹ 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

Any funds so forfeited will either be committed to development of offshore wind infrastructure, including but not limited to, as appropriate, Prebuild Infrastructure and 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. 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. An Applicant must submit its Application Form as a working Excel (.xlsx) file. An 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.

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.⁵⁰

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 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, and with PJM and federal agencies with jurisdiction over the interconnection and permitting of the Project.

If an Applicant is unable to make all of these commitments, a full explanation must be provided regarding the specific commitments which Applicant is unable to make as an attachment to the Applicant Commitment Form when it is submitted.

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));⁵¹
- 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));⁵²
- 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));
- 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)).

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.:

⁵⁰ See Attachment 5 herein.

⁵¹ This demonstration of experience should include each Project’s name, 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 characteristics for the Project.

⁵² 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.

- 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 (N.J.A.C. 14:8-6.5(a)(2));
- 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));
 - 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));⁵³
- Indicate whether the Applicant plans to own or lease equipment (N.J.A.C. 14:8-6.5(a)(2)(i)(9));⁵⁴
- 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));

⁵³ Major types of equipment include all power cables (intra-array, offshore, and onshore) and converter stations.

⁵⁴ Board Staff reserves the right to review any equipment lease or purchase documents once they have been executed.

- 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 each 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;
- The plan to procure the selected equipment, including key milestones, and status of the procurement process;
- Expected manufacturer warranty terms for major types of equipment;
- The rationale for the selection of HVDC 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;
- Whether the Applicant plans to include energy storage capability;
- If the Applicant plans to include energy storage capability in a Project, the following information must be provided:
 - Type of storage system, including manufacturer and model, if applicable;
 - Storage capacity, duration, and round-trip efficiency;
 - The location of the storage system and how it is integrated with the Project, and with the electric transmission or distribution system in New Jersey;
 - Description of the anticipated storage charge / discharge operating regime, including any technology limitations affecting dispatch;
 - Description of how storage will be deployed, e.g., maximize energy revenues, reduce peak demand for electricity, or improve reliable operation of the system;
 - Description of how storage will contribute to maximizing revenues to be returned to customers;
 - The cost of the storage system that is included in the OREC;
 - The benefits of the storage system; and

- An indication of the net benefits that the proposed storage provides to New Jersey, and/or ratepayers, that is, how total expected benefits are equal to or greater than the cost of the storage system;
- 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, and how Jones Act compliance will be addressed for each vessel and/or vessel class.

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));⁵⁵
- 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));⁵⁶
- 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 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

⁵⁵ If possible, the letter of intent or memorandum of understanding from the turbine manufacturer/supplier should state their ability to manufacture and deliver all components within the targeted schedule.

⁵⁶ 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.

substation(s), converter stations, cable landfall location at the NGCT at Sea Girt, onshore transmission right-of-way, and POI at the LCS;

- The distance in statute miles⁵⁷ 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;
- 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; and
- If the Applicant plans to include energy storage capability, a diagram showing the configuration of the storage system with respect to Project facilities and the POI.

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.:

- 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)),⁵⁸
- 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));⁵⁹

⁵⁷ 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>.

⁵⁸ 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>.

⁵⁹ 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.

- 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));⁶⁰ 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)).⁶¹

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 wind resource and energy assessment; 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.:

- 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; and

⁶⁰ Provide a single value (for each Project) representing the level of generation that the Project is expected to be able to provide over the expected useful life of the Project equipment.

⁶¹ 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 will be generated over the expected useful life of the turbines.

- A nominal levelized cost of energy (“LCOE”) over the 20-year contract term using a 7% nominal discount rate and the Project’s expected (“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,⁶² 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”); and
- 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 LCS, and for the Prebuild Infrastructure.

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 EDA (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

⁶² A separate Excel file must be provided for each Project with the file name “Financial Statements – [Project Name].”

- 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 debt lenders; and
- Expected amount of tax equity financing.

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.:

- 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));⁶³ 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)).⁶⁴

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 assumed 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 Act⁶⁵ and Infrastructure Investment and Jobs Act,⁶⁶ 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.

⁶³ State grants, rebates, tax credits, and programs referenced here are not limited to New Jersey, and may include those from other states.

⁶⁴ 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).

⁶⁵ L. 117-169.

⁶⁶ L. 117-58.

3.7 Project Revenue Plan & Strategy

Awarded projects are obligated to participate in energy, capacity, ancillary services and any other applicable markets, as appropriate, to maximize revenues for ratepayers. Capacity revenues are to be credited fully to 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));⁶⁷
- Provide an estimate, with documented support, of the amount of electrical capacity the Project will make available that is calculated 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 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, and, if different than the proxy used by Board Staff for evaluation, provide an explanation of why the Applicant’s approach is preferred;⁶⁸

⁶⁷ Includes all expected revenues in the energy, capacity, and, if applicable, ancillary services markets, as well as any bilateral sales.

⁶⁸ For evaluation purposes, Board Staff will base capacity proxy prices on the average of the previous three BRA resource clearing prices of relevance in New Jersey:

- Atlantic City Electric Company (“ACE”): \$104.36/MW-day
- Jersey Central Power and Light Company (“JCPL”): \$104.36/MW-day
- Public Service Electric and Gas Company (“PSEG”): \$117.21/MW-day
- Rockland Electric Company (“RECO”): \$104.36/MW-day

Data sources: [2021/22 Auction Results \(https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2021-2022/2021-2022-base-residual-auction-report.ashx\)](https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2021-2022/2021-2022-base-residual-auction-report.ashx), [2022/23 Auction Results, \(https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2022-2023/2022-2023-base-residual-auction-report.ashx\)](https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2022-2023/2022-2023-base-residual-auction-report.ashx), [2023/24 Auction Results, \(https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2023-2024/2023-2024-base-residual-auction-report.ashx\)](https://www.pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2023-2024/2023-2024-base-residual-auction-report.ashx)

- Any adjustments contemplated to the operating revenues related to UCAP sales under PJM’s anticipated capacity accreditation principles (e.g., Effective Load Carrying Capability);
- How capacity market risk, including any capacity performance penalty or incentive payments, will be addressed;
- 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 such strategies;
- A description of how the applicant intends to manage hedging mechanisms and revenue settlement operations, and how the applicant intends to allocate risk associated with 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 payments, and, if applicable, ancillary services, as well as any other environmental attributes or other benefits, should they arise over the OREC term, shall be returned to ratepayers for the full 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)).

3.8 Economic Development Plan

New Jersey has continued to invest significant resources in the New Jersey Wind Port and supply chain infrastructure, workforce training, and other areas to position New Jersey as a regional hub for offshore wind. As noted in the requirements below, Applicants will use this section 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.⁶⁹

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 New Jersey Wind Port.⁷⁰ 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 New Jersey Wind Port for Project marshalling and for locating Tier 1 manufacturing facilities, where feasible.⁷¹

[Auction Results \(https://pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2023-2024/2023-2024-base-residual-auction-report.ashx\)](https://pjm.com/-/media/markets-ops/rpm/rpm-auction-info/2023-2024/2023-2024-base-residual-auction-report.ashx).

⁶⁹ Economic development associated with the Prebuild Infrastructure should be included but stated separately from economic development associated with the Project.

⁷⁰ See <https://nj.gov/windport/index.shtml> for information about the New Jersey Wind Port.

⁷¹ Id.

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 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 New Jersey’s Wind Institute for Innovation and Training’s (“Wind Institute”) efforts related to workforce development, education, research, and innovation.⁷²

Applicants can further demonstrate commitment to in-State economic development by including incremental supply chain infrastructure as part of the proposed Project(s). The State values the opportunity for new Tier 1 manufacturing facilities, specifically for full-scale manufacturing of blades or towers at the New Jersey Wind Port. The New Jersey Wind Port is under development and has space available for co-located manufacturing and marshalling facilities.⁷³ Attachment 12 herein presents technical specifications, availability timelines, and price guidance for parcels at the New Jersey Wind Port. The State also values new supply chain facilities located in other locations in New Jersey. Applicants are prohibited from entering into any agreements with Tier 1 manufacturing facilities, located at the New Jersey Wind Port or elsewhere in New Jersey, that materially 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 and monopiles), supply chain investments to manufacture or fabricate subcomponents of an existing or committed investment such as subcomponents internal to the nacelle (e.g., generators, gearboxes, power converters, etc.), 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 and why the Applicant’s commitment is critical to the facility’s development or continued operation. 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 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

⁷² See https://www.njeda.com/wind_institute/ for information about the Wind Institute for Innovation and Training.

⁷³ See Attachment 12 herein.

planning, development, construction, and operations of the proposed Project(s).⁷⁴ 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. 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 developments, in particular, in OBCs.⁷⁵

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 and are encouraged to identify whether specific Projects may support economic impacts beyond the Project itself. 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. To avoid double-counting, Applicants affiliated with prior Qualified Projects must ensure that economic impacts associated with prior award(s) are excluded, and such Applicants must include documentation affirming that economic impacts associated with prior award(s) are excluded. Incremental operations and the corresponding economic impacts that build on investments associated with existing infrastructure or a prior award may be included.

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 on an annual basis for the operation phase. 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 reduction in the OREC price over the full OREC term.⁷⁶ The Applicant shall propose the disposition of the remaining 10% of the shortfall, subject to Board approval. 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

⁷⁴ See the NJDEP Office of Environmental Justice's website at <https://www.nj.gov/dep/ej/> for more information about OBCs in New Jersey.

⁷⁵ See <https://www.njeda.com/brownfield-redevelopment-incentive/> for information related to brownfield redevelopment incentives.

⁷⁶ Calculation of the OREC price reduction equivalent in value to the guaranteed expenditure shortfall, if applicable, will be done on a net present value basis using the projection of expected annual OREC revenues and an appropriate annual discount rate.

manufacturing) phase, and on an annual basis for the operation phase.⁷⁷ 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 economic impacts values should be provided for the period starting with the Board Decision, expected in December 2023. Applicants may additionally report pre-award direct spending and/or jobs from January 1, 2023, through the date of the Board Decision, which may be used for public reporting regarding submitted Projects but will not be used for evaluation. Land purchase and lease costs (including at ports and for right-of-way concessions) shall be excluded from economic model input values and spending guarantees, although they can be reported separately in the Application Narrative at the Applicant's discretion.

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.

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));⁷⁸
- Method for confirming employment impacts (N.J.A.C. 14:8-6.5(a)(11)(vi));
- 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 output⁷⁹ 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)).⁸⁰

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):

⁷⁷ Multiple guaranteed annual spending and jobs values can be reported for the operation phase, if the values will vary year-to-year, for example during and after the wind turbine generator vendor's service and maintenance agreement period.

⁷⁸ Applicants are encouraged to be as specific as possible about the specific 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.

⁷⁹ 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).

⁸⁰ Applicants may use any regional economic input-output model that accurately measures New Jersey economic benefits. Suggested models include, but are not limited to: Rutgers R/ECON model, Regional Economic Models, Inc. REMI model, IMPLAN's IMPLAN model, and the US Bureau of Economic Analysis RIMS II model.

- Planned in-State spending to support planning and development, component manufacturing and equipment purchases, construction and installation, and O&M;
- Method for calculating and tracking in-State spending;
- 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 infrastructure,
 - Use of the marshalling and/or manufacturing facilities at the New Jersey Wind Port,⁸¹ and
 - Development of alternative ports in New Jersey for manufacturing, and O&M activities;
- A description of how the economic development plans, 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;
- 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](#)),⁸²
 - 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”),⁸³

⁸¹ See additional information regarding the New Jersey Wind Port, *supra* note 71.

⁸² See <https://a812898.fmphost.com/fmi/webd/OSWSupplyChain.fmp12?script=FindServices>.

⁸³ See https://www20.state.nj.us/TYTR_SAVI/vendorSearch.jsp.

- 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 meet-the-buyer events, providing technical assistance, etc., and
- 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;⁸⁴
- 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 the Wind Institute and its associated programs and any other relevant State programs,⁸⁵
 - 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,

⁸⁴ “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.).

⁸⁵ Applicants are encouraged to consult the following reports as part of the development of their workforce development plan: NJEDA’s [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 the NJ Council on the Green Economy’s [Green Jobs for a Sustainable Future](https://www.nj.gov/governor/climateaction/council/greenreport/) (<https://www.nj.gov/governor/climateaction/council/greenreport/>).

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,
- 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 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, particularly where there are open market opportunities for existing and start-up companies in New Jersey, opportunities to utilize or support existing initiatives, opportunities to attract additional investment to build an offshore wind innovation hub in the State, any plans by the Applicant to enhance the use of offshore wind electricity through energy storage, green hydrogen technologies, carbon capture and others, and plans to coordinate and 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)).⁸⁶

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).⁸⁷

- 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;

⁸⁶ Applicants can also submit non-binding commitments, memoranda of understanding, or similar documents. If non-binding documents are submitted, the Applicant should be explicit about the nature of the agreement, and provide a timetable for finalization.

⁸⁷ 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.

- 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.

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”).⁸⁸ 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

⁸⁸ Information regarding the RMI can be found on the RMI website, <https://dep.nj.gov/offshorewind/rmi/>.

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 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 0.
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 the interconnection point at the LCS, and including the landing point at the Sea Girt NGTC:

- 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));⁸⁹
- 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));⁹⁰
- 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)).

⁸⁹ Must be consistent with data provided in the Application Form.

⁹⁰ 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.

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;
- 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;⁹¹
- 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;

⁹¹ 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/>).

- 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;
- 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;⁹²
- 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.

⁹² [If awarded, a Qualified Project shall implement a community engagement plan specific to the impacted OBC and appropriate control measures approved by NJDEP.](#)

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):

- A scientifically rigorous description of the marine resources that exist in the Project area, including biota and commercial and recreational fisheries, that 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;⁹³
- 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.:

⁹³ Applicants should obtain New Jersey-specific data sets from NJDEP GIS Open Data, <https://gisdata-njdep.opendata.arcgis.com/>.

- A timeline for the permitting, licensing, and construction of the Project (N.J.A.C. 14:8-6.5(a)(13));
- 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));⁹⁴ 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; and
- A timeline for development of the Prebuild Infrastructure, including engineering, siting/permitting, procurement, construction, back feed/testing, and the start of commercial operation.

3.13 Interconnection Plan

In accordance with the Board’s SAA Order, each Project submitted in this Third Solicitation must utilize the LCS as the POI, unless otherwise noted below. In addition, each Project submitted in this solicitation must use the Sea Girt NGTC as the point where transmission cables from the Project cross the shore.

Applicants are encouraged to review the FERC-approved PJM Rate Schedule 49 § 4.3 and § 6.2 (“SAA Agreement”)⁹⁵ for details on the PJM interconnection study process for offshore wind generators selected by the Board to utilize SAA Capability. Applicants are also encouraged to review the Board’s SAA Order, particularly the timing of the estimated in-service dates and capacity of the three circuits related to the Larrabee Tri-Collector Solution.

Currently, the LCS can accommodate a total of up to three Projects, with two circuits connecting the LCS to existing facilities that each have a capacity of up to 1,200 MW – Larrabee and Atlantic – and one circuit connecting the LCS to existing facilities that has a capacity of up to 1,342 MW – Smithburg. Applicants must submit at least one proposed Project that will utilize 1,200 MW of SAA Capability. Applicants are also encouraged to submit a proposed Project that will utilize 1,342 MW of SAA Capability. An Applicant may also propose a Project that would fully utilize the SAA Capability of multiple circuits (i.e., 2,400 MW, 2,542 MW or 3,742 MW). Applicants may also submit a proposed Project with greater capacity, but will be responsible for procuring and the costs of any incremental capacity above SAA Capability through the PJM interconnection process. For all projects utilizing SAA Capability, regardless of which circuit is utilized – Larrabee, Atlantic or Smithburg – the POI is the LCS.

⁹⁴ Include this information for wind turbines, foundations, undersea cables, and all other key Project components.

⁹⁵ PJM Rate Schedule 49, approved by FERC in 179 FERC ¶ 61,024 (2021).

In the event the current LCS configuration is modified, so that the LCS can support a capacity of 3,742 MW without the three individual circuit limitations, all Applicants will be notified and given an equal opportunity to update their Project(s) prior to any Board award on the Third Solicitation, solely to accommodate an LCS configuration change. Should this occur, Staff will provide additional clarity and instructions on the specifics.

Applicants will be responsible for all Transmission System Upgrade Costs (“TSUC”), unless otherwise specified, associated with interconnecting the Project at the LCS. Staff anticipates Projects exclusively utilizing SAA Capability may have minimal TSUC. Projects seeking capacity greater than SAA Capability shall assume all incremental TSUC associated with interconnecting the Project at the LCS.

- An Applicant may propose a Project with a capacity greater than 1,200 MW and assume the cost of all TSUC associated with interconnecting the Project at the LCS. The Applicant must assume that their Project utilizes one of the 1,200 MW circuits associated with the LCS (Larrabee or Atlantic). Applicants may also submit a Project that assumes utilization of the 1,342 MW circuit associated with the LCS (Smithburg). Applicants are encouraged to engage with PJM on all interconnection matters.
- Alternatively, an Applicant may propose to share the cost of the TSUC by specifying the values of the variables defined below used to calculate the TSUC Price Adder (“TSUCPA”). If an Applicant elects to share the TSUC, the Applicant is still required to propose a Project that utilizes a 1,200 MW circuit associated with the LCS (Larrabee or Atlantic). An Applicant may also propose a Project that utilizes the 1,342 MW circuit associated with the LCS (Smithburg) with sharing of the TSUC.

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 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. These P50 and P90 values will contribute to the derivation of a risk-adjusted estimate of TSUC that will be used for evaluation purposes. The value of the TSUCPA will be calculated using the defined parameters after the final TSUC value is determined by PJM.

Projects that would experience harm by interconnecting to the LCS POI, may also submit one or more Projects that utilize an alternative POI, in addition to the required Project option utilizing 1,200 MW of SAA Capability. Applicants proposing an alternative POI must present sufficient detail on how interconnecting at the LCS would cause harm, how participation in the SAA would affect the Project, how New Jersey ratepayers would be impacted, and any economic development and environmental impacts. Projects proposing an alternative POI are not permitted to utilize SAA Capability. The Board may exercise discretion in making a determination on whether to allow an exception to utilizing the LCS. Any Project proposing an alternative POI must utilize both the landfall point at the Sea Girt NGTC and the Prebuild Infrastructure. If an Applicant is proposing an alternative POI other than the LCS, identifying and implementing the route from the LCS to the alternative POI is solely the responsibility of the Applicant, and those details should be included in the Application.

Additionally, each Project must include an option for the construction of Prebuild Infrastructure, as such term is defined in Section 3.12, from a landfall point at the Sea Girt NGTC to the LCS POI.⁹⁶ Note, the SAA Project may be modified to include the Prebuild infrastructure – Board Staff, PJM, and the SAA Project are exploring this option. If the SAA Project is so modified, Applicants must similarly utilize the Prebuild infrastructure developed by the SAA Project. The Board and its Staff will notify Applicants, as early as possible, if the SAA Project is chosen to develop the Prebuild infrastructure. At this time, Applicants should develop their Applications under the expectation that the Prebuild infrastructure will be developed and awarded through the Solicitation 3 process, as directed by the SAA Order.

The SAA Order directs the Prebuild concept to be required as part of this solicitation. For the Prebuild, the Applicant selected to construct the Prebuild Infrastructure in this Third Solicitation will construct the necessary Duct Banks and associated Cable Vaults for its own Project as well as the additional offshore

⁹⁶ See <https://www.nj.gov/military/admin/departments/ngtc/>. The LCS is a new substation adjacent to the existing JCP&L Larrabee substation that will be built as part of the Larrabee Tri-Collector Solution. *Id.* at 60.

wind projects needed to fully utilize the SAA Capability through the LCS.⁹⁷ If more than one Qualified Project is selected in this solicitation, the Board will specify which Qualified Project will be responsible for constructing the Prebuild Infrastructure. Future Qualified Projects and any Qualified Project awarded in this solicitation that is not responsible for constructing the Prebuild Infrastructure, would then install their cables through the prebuilt Duct Banks utilizing the prebuilt Cable Vaults, with minimal further disruption to the communities near the Sea Girt NGTC landing point at the shore and along the cable route. Requirements associated with the Prebuild Infrastructure are provided in Attachment 10 herein and must be addressed in the Interconnection Plan as listed therein.⁹⁸ Additional information regarding the specifications of the LCS are provided in Attachment 10 herein.

Additionally, Projects will be required to include design components to allow for potential future development of an offshore transmission network. These design component requirements are provided in Attachment 11 herein.

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:⁹⁹

- 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;¹⁰⁰
- 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 Capacity Injection Rights associated with the SAA;
- 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));¹⁰¹
- 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));¹⁰² 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)).¹⁰³

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):

⁹⁷ The Prebuild Infrastructure involves only the necessary infrastructure to house the electric transmission cables, specifically the Duct Banks and Cable Vaults, but not the cables themselves or the related converter stations.

⁹⁸ To the extent that information provided in response to requirements related to the Prebuild Infrastructure aligns with information provided in response to the requirements noted in this section, it does not need to be provided twice and can instead be cross-referenced.

⁹⁹ Requirements in N.J.A.C. 14:8-6.1 et seq. that are not applicable to the Third Solicitation as a result of the SAA Order are expected to be waived in the Board Order approving issuance of the Third Solicitation and are thus not listed here.

¹⁰⁰ This plan must include all required content listed in Attachment 10 herein.

¹⁰¹ Id.

¹⁰² Any identified upgrades must take into account the Option 1a upgrades as specified in the SAA Order.

¹⁰³ Per the SAA Order, the POI is required to be the LCS.

- The capacity the Project plans to request under the terms and conditions delineated in the SAA Order and the SAA Agreement, including an explanation of how this capacity value relates to the energy production profile of the Project;
- If applicable, specification of which LCS circuit (1,200 MW Larrabee 230 kV, 1,200 MW Atlantic 230 kV, or 1,342 MW Smithburg 500 kV) the Project proposes to utilize;¹⁰⁴
- Provisions for reactive compensation and harmonic filtering at the HVDC converter stations at the LCS;
- For Applicants proposing capacity beyond that accommodated by SAA Capability, the incremental capacity the Project plans to utilize, including an explanation of how this capacity value relates to the energy production profile of the project;
- For Applicants proposing capacity beyond that accommodated by SAA Capability, supporting documentation for the P50 and P90 estimates of the TSUC reported in the Application Form;¹⁰⁵
- For Applicants proposing capacity beyond that accommodated by SAA Capability, any draft or final interconnection studies conducted by PJM, or by a study conducted by a third party, including the Feasibility Study, System Impact Study, and Facility Study relating to the proposed Project;¹⁰⁶
- Proposed detailed legal structures to govern the relationship among the SAA developer, Prebuild Infrastructure developer, and other offshore wind developer(s) utilizing the Prebuild Infrastructure, as applicable. The proposal should include the key terms of such relationships, to the extent that such Applicant determines such structures to be necessary or desirable to attract financing and enhance commercial deliverability for its applicable scope(s), subject to Board modification and approval. A non-exhaustive list of those uncertainties, for illustrative purposes, is as follows:¹⁰⁷
 - Recourse in the event a project COD is delayed due to delays on the Prebuild Infrastructure or SAA improvements required to be built by another entity or Applicant;
 - Nature of long-term property interests in infrastructure built by another developer;
 - Access to the Prebuild Infrastructure during and after construction of an offshore wind project utilizing the Prebuild Infrastructure;
 - Communication protocol among all the parties—SAA developer, Prebuild Infrastructure developer, other offshore wind developer(s) utilizing the Prebuild Infrastructure, and if applicable, the Board, Board Staff and PJM;
 - Allocation of ongoing maintenance responsibility for infrastructure;

¹⁰⁴ The Board, in its sole discretion, reserves the right to assign Projects to different SAA circuits than the Project proposes.

¹⁰⁵ TSUC are 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 P90 estimate of TSUC represents a 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 of TSUC.

¹⁰⁶ Any Critical Energy Infrastructure Information ("CEII") may be filed subject to the confidentiality claims discussed in Section 2.5.

¹⁰⁷ Such terms and conditions are expected to be included in any Board Order regarding the approval of a Qualified Project.

- Applicability of limitation of liability and warranty performance requirements;
- Remedies for design defects; and
- Permitting coordination, including in connection with COP approvals and local land use and environmental constraints;
- Prebuild Infrastructure design parameters as listed in Attachment 10; and
- Offshore Transmission Network preparation requirements as listed in Attachment 11.

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));
- 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 0), 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));
- 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));¹⁰⁸
- 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):

¹⁰⁸ Climatic risks should also be included in the identification of risks.

- 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, and how Jones Act compliance will be addressed for each vessel and/or vessel class;
- 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.:

- 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));¹⁰⁹
- 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

¹⁰⁹ Decommissioning plan should also address the Project's transmission cables.

- 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));¹¹⁰
- 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 3.9, 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 EDA 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):

- Monetization of the direct, indirect, and induced effects of the economic development plan shown as a present value in dollars discounted to December 31, 2022 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));¹¹¹
- 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));¹¹²

¹¹⁰ Ratepayer net costs must not include the value of potential decreases in market prices attributable to the Project.

¹¹¹ 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.

¹¹² Calculated automatically based on expected generation profile as a fraction of installed capacity by month and hour of day.

- 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));¹¹³
- Net yearly energy output for the Project, accounting for losses (N.J.A.C. 14:8-6.5(a)(2)(v));¹¹⁴
- 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));¹¹⁵
- 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));¹¹⁶ and
- 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)).¹¹⁷

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;

¹¹³ 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.

¹¹⁴ Net yearly energy output should reflect the projected electrical output, and also be net of operational efficiency and degradation effects; calculated automatically based on expected generation and delivered energy as a fraction of expected generation by month and calendar year.

¹¹⁵ 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% and consistent with the financial analysis presented in Section 3.4. 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. Pricing for the Prebuild Infrastructure will be stated separately. The OREC Purchase Price for the Project (covering everything other than the Prebuild Infrastructure) should not include the Duct Banks or Cable Vaults for the Project. If the Project is selected to construct the Prebuild Infrastructure, the OREC Purchase Price will be the sum of the two OREC prices (Project and Prebuild). If another Project is selected to construct the Prebuild Infrastructure, the OREC Purchase Price will be the Project OREC price, and the Project will utilize the Prebuild Infrastructure constructed by another entity.

¹¹⁶ The Application Form requires a monthly forecast of energy prices and an annual forecast of capacity prices.

¹¹⁷ 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)).

- Number of capacity installation phases;
- Wind turbine generator nameplate capacity and COD for each capacity installation phase;¹¹⁸
- 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);¹¹⁹
- Annual OREC Allowance, consistent with the estimated energy output;
- Pricing terms for the Prebuild Infrastructure (first-year OREC price, escalation rate, and cost recovery period);
- Parameters to determine Buyer's share of PJM's final TSUC;
- Expected annual direct in-State jobs creation (in FTE-years¹²⁰), 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;
- Guaranteed minimum total in-State jobs creation (in FTE-years), labor expenditures, and total expenditures by phase (development, construction, operation, and decommissioning);¹²¹
- 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;
- 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;
- Annual avoided emissions of CO₂, SO₂, NO_x, and PM_{2.5} during operation of the Project; and
- If the Applicant plans to include storage capability, the following information must be provided:
 - Storage nameplate capacity for each capacity installation phase;
 - Energy storage capacity for each capacity installation phase;
 - Maximum discharge rate;
 - Maximum charge rate;

¹¹⁸ Each Project phase will have a distinct 20-year term beginning on the phase's COD.

¹¹⁹ Calculated automatically based on expected generation and delivered energy as a fraction of expected generation by month and calendar year.

¹²⁰ FTE Year is the amount of time one Full Time Equivalent worked would spend working during one (1) calendar year.

¹²¹ For purposes of identifying shortfalls relative to guarantees, only the total job-years and expenditures will be subject to BPU enforcement.

- Maximum generation duration at full output; and
- Average annual cycle efficiency.

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 4. Weighting of Evaluation Criteria

Criterion	Weight
OREC Purchase Price and Ratepayer Impacts	70%
Non-Price Considerations <ul style="list-style-type: none"> ● Economic Impacts and Strength of Guarantees for Economic Impacts ● Environmental and Fisheries Impacts 	30%

Likelihood of successful commercial operation, including, but not limited to, feasibility of Project timelines, permitting plans, equipment and labor supply plans, and Prebuild Infrastructure and OTN Ready designs will be used to determine whether a Project is eligible to become a Qualified Project. Beyond determining eligibility, these factors will not be reflected in quantitative scoring, except to the extent that they are included in the identified non-price considerations.

The BPU may reflect in its evaluation the possible benefit 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 non-inflation adjusted levelized price per MWh. 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 5 herein. Expected, but not guaranteed, direct employment and spending may be considered qualitatively in the evaluation but will not be quantitatively assessed.

Table 5. Relative Economic Impacts Weighting Associated with Guaranteed Spending¹²²

	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. The following will be given greater scoring weight when evaluating economic benefits:

- Total number of job-years and in-State dollar investment;
- Strength of guarantee proposed by the Applicant for economic benefits;
- Incremental supply chain investments aligned with State goals, including preferences for full-scale manufacturing of blades 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 New Jersey Wind Port and other existing or under development wind supply chain and infrastructure facility investments in New Jersey,

¹²² Neither indirect nor induced economic impacts associated with guaranteed direct employment and spending will be subject to shortfall mitigation.

- 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.