



NEW JERSEY OFFSHORE WIND

SECOND SOLICITATION AWARD

Offshore Wind: 7,500 MW by 2035

Under Governor Phil Murphy's leadership, New Jersey is on track to achieving its goal of 7,500 MW of offshore wind energy by 2035 and to establishing an offshore wind industry that creates good-paying jobs and gives New Jersey residents the best overall value while protecting the environment and commercial and recreational fishing interests. The Second Solicitation Award of 2,658 MW launches New Jersey even closer to that goal. It builds on the first solicitation awarded in 2019, the largest at the time, of 1,100 MW to Ørsted's first Ocean Wind project. In 2022, the NJBPU anticipates opening a third solicitation for offshore wind of at least 1,200 MW, to continue delivering on Governor Murphy's commitment to 100% clean energy by 2050.

EDF/Shell's Atlantic Shores Offshore Wind: Awarded 1,510 MW Will power approximately 637,000 homes.

Economic Benefit and Jobs

The project is expected to inject an estimated \$1.9 billion into the New Jersey economy and result in an estimated 3,100 full and or part time jobs across the development, construction and operational phases of the project. This yields 40,700 FTE job-years throughout the 20-year OREC term as some jobs will be short term while others last many years.

The developer will utilize the foundation manufacturing facility at the Port of Paulsboro, and is committed to a nacelle assembly facility in collaboration with MHI Vestas, one of the leading turbine manufacturers in the world, at the New Jersey Wind Port. The nacelle houses the components that convert the mechanical energy of the rotating blades into electrical energy, and is the highest value add offshore wind component. The developer will also conduct marshalling activities (staging and assembly of components for transfer to vessels for installation at the wind farm) at the New Jersey Wind Port. The project also includes a green hydrogen pilot facility where hydrogen will be produced from wind energy and blended with natural gas to reduce greenhouse gas emissions.

Environmental Protection

Atlantic Shores has a strong environmental and fisheries protection plan, and this project will result in 2.88 million short tons of net avoided emissions annually, which represents approximately 14% of New Jersey's current greenhouse gas emissions from the electricity sector. As required by the solicitation, the project developers will also contribute \$10,000 per MW to fund research initiatives and wildlife and fishery monitoring in the region for a total of \$15.1 million.

Rate Impacts

The monthly ratepayer bill impact is estimated to cost \$2.21 for residential customers, \$20.81 for commercial customers and \$172.25 for industrial customers. These bill impacts will not begin until the project is operational, which is estimated to occur in 2027-2028.*

The rate impact is based on the estimated levelized Net OREC cost of \$58.51, which is the cost per megawatt hour after revenues generated by the project are returned to ratepayers.



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Ørsted's Ocean Wind Project: Awarded 1,148 MW Will power approximately 518,000 homes.

Economic Benefits and Jobs

Ocean Wind is expected to inject \$1.7 billion into the New Jersey economy and result in an estimated 3,700 full and or part-time jobs across the development, construction and operational phases of the project. This yields 15,100 FTE job-years throughout the 20-year OREC term as some jobs will be short term while others last many years.

The developer will utilize the foundation manufacturing facility at the Port of Paulsboro, and has committed to provide funding towards completing the development of the facility. This project includes the commitment to establishment of a nacelle assembly facility in collaboration with GE at the New Jersey Wind Port. The developer will also conduct marshalling activities at the New Jersey Wind Port. The project also includes a truck electrification pilot project at the Port Newark.

Environmental Protection

Ocean Wind has a strong environmental and fisheries protection plan, and the project will result in 2.19 million short tons of net avoided emissions annually, which represents approximately 12% of New Jersey's current greenhouse gas emissions from the electricity sector. As required by the solicitation, the project developers will also contribute \$10,000 per MW to fund research initiatives and wildlife and fishery monitoring in the region for a total of \$11.48 million.

Rate Impacts

The monthly ratepayer bill impact is estimated to cost \$1.28 for residential customers; \$11.73 for commercial customers; and \$99.91 for industrial customers. The bill impacts will not begin until the project is operational, which is estimated to occur in 2028-2029.*

The rate impact is based on the estimated levelized Net OREC cost of \$42.30 which is the cost per megawatt hour after revenues generated by the project are returned to ratepayers.

**Estimated usage is based on Energy Information Administration data covering the 2019 calendar year.*