



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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**Newark, NJ 07102**  
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CLEAN ENERGY

IN THE MATTER OF THE OFFSHORE WIND REBATE )  
PROGRAM FOR THE INSTALLATION OF )  
METEOROLOGICAL TOWERS )  
)  
)  
)  
)  
DOCKET NO. EO08110971

<u>Company</u>	<u>City/Town</u>	<u>Docket Number</u>
Fishermen's Energy LLC, formerly, Fishermen's Energy of New Jersey	Cape May	EO08121062

BY THE BOARD:

This Order memorializes action taken by the Board of Public Utilities (Board) at a public agenda meeting held April 27, 2011 regarding applicant's, Fishermen's Energy LLC (Fishermen's) request for an extension, on a previously approved project.

**BACKGROUND AND PROCEDURAL HISTORY**

At its December 17, 2008 public agenda meeting, the Board approved, pursuant to its Offshore Wind (OSW) Grant Solicitation, a grant of \$4 Million to Fishermen's for its proposed OSW generation facility. The initial term of the rebate expired January 9, 2010. At its August 19, 2009 public agenda meeting, as memorialized in an Order dated September 16, 2009 in Docket Nos. EO08110971, EO08121062, EO08121063, and EO08121064, the Board granted petitioner a one-year extension of the rebate commitment for the Installation of Meteorological Towers, making the new expiration date January 9, 2011.

At the Board's August 18, 2010, agenda, it considered whether to grant a request from Fishermen's to modify the original rebate proposal to include buoy-based technology, rather than meteorological towers. The Board approved the request, because a new alternative buoy-based technology, Light Detection and Ranging (LIDAR), which is claimed to enable faster and more accurate data that is less expensive and less environmentally intrusive to deploy, met the criteria for the rebate awarded to Fishermen's and would be an acceptable substitute for the previously agreed upon Meteorological Towers. The Board established the offshore wind rebate program to assist with the cost of wind resource assessment and other resource monitoring to

further the goals of offshore wind in the Energy Master Plan, and the switch in technology did not impede that goal. Furthermore, the new buoy-based system allowed the Board to reduce the rebate from \$4 million to \$3 million, while still ensuring effective collection of data. The Board did not recommend an extension of the January 2011 rebate commitment, but indicated that it would evaluate such a request if Fishermen's was unable to meet the deadlines and that all documentations necessary for payment of the rebate would be submitted by February 11, 2011.

On or about February 11, 2011, Fishermen's submitted a letter with the Board requesting reimbursement for money spent on its Offshore Wind project. The request was accompanied by specific receipts on the LIDAR Unit, the buoy and ecological monitoring, as well as the necessary expenses of preparation for the installation of the alternative wind assessment technology, pursuant to the Board's September 16, 2010 Order. Due to the fact Fishermen's produced the documentation necessary for rebate payment, on the February 11, 2011 deadline, as stated in the 9/16/10 Board Order, it did not file a rebate extension request.

Staff discussed the submission with Fishermen's and subsequently requested additional documentation to support the reimbursement request. To comply with Staff's request for additional information, in a letter from Fishermen's dated March 9, 2011, Fishermen's requests the Board to extend the rebate deadline one year, from January 9, 2011 to January 9, 2012, to complete installation, commissioning and payment of necessary components. Concerning the project's status, Fishermen's articulated the following progress in its March 9, 2011, letter:

- a) In August 2009, Fishermen's contracted with Alpine Ocean Seismic Surveys to complete a detailed geophysical and archeological survey of the proposed offshore meteorological tower site within OCS Block 6931 currently held under interim lease by Fishermen's. This assessment was completed as of November 2009.
- b) Fishermen's in collaboration with Richard Stockton College has installed one 50m tower at the Atlantic County Utilities Authority (ACUA) Recycling Center and re-instrumented an existing 50m tower to compare and validate measurements from the WRA LIDAR systems. A 60m tower and a complete sensor suite has been purchased and is presently stored at Stockton College pending site authorization for installation.
- c) Pursuant to contract with Lockheed Martin, a leased version of the Windtracer system was delivered and commissioned at the Jersey Atlantic Wind Farm located at the ACUA for performance verification from October 3 through December 3, 2010. The Land Based Windtracer Horizontal LIDAR fully owned by Fishermen's is presently under construction at the Lockheed Martin facility. Delivery and installation in Margate, New Jersey is scheduled for September 2011.
- d) The LIDAR unit has been received by Fishermen's and is being tested. There are two major components of the system, the LIDAR unit and its deployment to the location where it will be mounted on the AXYS Buoy.
  - 1) Commissioning and acceptance testing of the LIDAR (Wind Sentinel) were performed during December of 2010. AXYS staff will travel to Cape May March 14-16 to conduct training in systems operation of the unit.
  - 2) Fishermen's has received United States Army Corp of Engineers (USACOE) permits for the installation of the Buoy but is still awaiting of its Project Plan from the Bureau of Ocean Energy Management Regulation and Enforcement (BOEMRE). The unit can not be deployed until after approval by BOEMRE (estimated to be May 30, 2011).

- e) A second buoy was commissioned and installed 2.8 miles offshore east of Atlantic City, in December 2010. The buoy is scheduled to be relocated to the future Wind Farm location, OCS Block 6931 during March/April 2011, pending approval of the Project Plan by BOEMRE, for buoy installations within the interim lease area.

Therefore, after Project Plan approval, Fishermen's must do the following to make the unit operational:

- 1) Mobilize installation vessels and install the buoy;
- 2) Attach and commission the LIDAR unit, environmental sensors and monitors; and
- 3) Install Wind Tracer system which is under construction at Lockheed Martin in Colorado.

Fishermen's expects to be complete installation by October 1, 2011, including delivery, commissioning and deployment of its wind assessment system, necessary to construct a wind farm, but requests a one year time extension to account for unforeseen delays.

After carefully reviewing the facts presented, the change in technology coupled with the pending Project Plan approval by the federal government, staff has determined that petitioner's request for an extension of time is reasonable.

### **DISCUSSION AND FINDINGS**

When the Board granted petitioner's first request for an extension, it applied the standard articulated in the Board's Order dated November 26, 2008, In the Matter of the Offshore Wind Rebate Program for the Installation of Meteorological Towers, Dkt No. EO08110971 ("November 26th Order"). The November 26th Order states, in part, "in the event the construction of the meteorological tower is delayed by an event which is not within the reasonable control of the applicant, then applicant shall promptly notify the Board of such event and shall consult with Board Staff to determine whether a revised schedule is appropriate."

The criteria in the November 26th Order applies to petitioner's request for a second extension. The Board may also consider whether the extension is in accord with the general purpose and intent of the Meteorological Tower Rebate Program and public policy. Based on status reports and other information provided by Fishermen's to justify the extension request, installation of the buoy system was delayed for reasons not within the control of Fishermen's

Based on facts and circumstances specific to this matter as set forth herein above, the Board concurs with OCE's recommendations. The Board **FINDS** that Fishermen's submitted receipts for reimbursement on February 11th. The Board **FINDS** that additional measures need to be taken by Fishermen's to complete the project. The Board **FINDS** that petitioner has substantially documented its efforts and progress on project completion. In addition, the Board **FINDS** that a second extension is consistent with public policy described in the Board's Order of September 16, 2009 in Docket Nos. EO08110971, EO08121062, EO08121063, and EO08121064, wherein the Board granted the first extension.

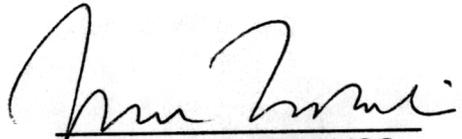
The Board **HEREBY FINDS** a subsequent extension is warranted based on the specific facts and circumstances made in the petitioner's filing. In light of the facts presented before the Board, and the commitment to supporting alternative, renewable energy sources, the Board **HEREBY GRANTS** the petition of Fishermen's to extend the installation deadline, from January 9, 2011 to January 9, 2012. The Board **AUTHORIZES** the Office of Clean Energy to issue an extension to the commitment letter to Fishermen's, consistent with this Order.

DATED: 4/27/11

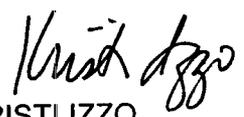
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SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities  
