



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE OPENING OF NEW)
JERSEY’S FOURTH SOLICITATION FOR OFFSHORE)
WIND RENEWABLE ENERGY CERTIFICATES (ORECs))
)
)
)
) DOCKET NO. QO24020109

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board” or “BPU”), in accordance with the Offshore Wind Economic Development Act (“OWEDA” or the “Act”), Governor Murphy’s Executive Order No. 8 (“EO 8”), Executive Order No. 92 (“EO 92”), Executive Order No. 307 (“EO 307”), and Executive Order No. 315 (“EO 315”), opens the application window for the fourth offshore wind solicitation (“Fourth Solicitation”), inviting all interested parties to submit applications for consideration by 5 p.m. Eastern Time on July 10, 2024.¹

I. EXECUTIVE SUMMARY

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, or “OSW,” development, the Board hereby announces that it is soliciting applications to secure Offshore Wind Renewable Energy Certificates (“ORECs”). At the Board’s discretion, the Fourth Solicitation seeks to secure ORECs targeting at least 1,200 MW of capacity up to approximately 4,000 MW of capacity, as produced by Qualified

¹ See OWEDA, N.J.S.A. 48:3-87.1 to -87.2, L. 2010, c. 57, eff. Aug. 19, 2010; amended by L. 2019 c. 440, §2, effective Jan. 21, 2020; L. 2021, c.178, §1, effective July 22, 2021; Exec. Order No. 8 (Jan. 31, 2018), 50 N.J.R. 887(a) (Feb. 20, 2018) (“EO 8”); Exec. Order No. 92 (Nov. 19, 2019), 51 N.J.R. 1817(b) (Dec. 16, 2019) (“EO 92”); Exec. Order No. 307 (Feb. 15, 2023), 54 N.J.R. 1945(a) (Oct. 17, 2022) (“EO 307”); Exec. Order No. 315 (Feb. 15, 2023), 55 N.J.R. 509(a) (March 20, 2023).

Offshore Wind Projects (“Qualified Projects”).² The Board seeks to promote robust competition in this Fourth Solicitation and future OSW solicitations to support the responsible development of the OSW industry in New Jersey at cost-competitive prices, while minimizing impacts to the State’s natural resources.

By opening this Fourth Solicitation application window, the Board invites all interested parties to submit applications consistent with the requirements established under OWEDA, in compliance with the Board’s OREC rules (“OREC Rules”) and in compliance with the Solicitation Guidance Document for the Fourth Solicitation (“Fourth Solicitation SGD”) (Attachment 1 to this Order).³ The OREC Rules specifically provide that “[t]he Board will announce the open and close dates for all application periods, which shall be set at the Board’s discretion.”⁴

II. BACKGROUND AND PROCEDURAL HISTORY

New Jersey Governor Phil Murphy signed EO 8 on January 31, 2018.⁵ The purpose of EO 8 was to reinvigorate the State’s implementation of OWEDA.⁶ 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.”⁷ Moreover, the Governor saw that “an aggressive offshore wind energy production goal” could result in the State housing key parts of the OSW supply chain for the Atlantic Coast, which would “contribute to a stronger New Jersey economy.”⁸ To this end, in EO 8, Governor Murphy set a “goal of 3,500 MW of offshore wind energy generation by the year 2030.”⁹

As required by OWEDA, the Board adopted rules, comprising the OREC Rules, that provided an application process and evaluation framework for offshore wind projects.¹⁰ EO 8 also directed the BPU to begin the rulemaking process to establish the OREC Funding Mechanism.¹¹ The OREC

² A “Qualified Offshore Wind Project” is a wind turbine electricity generation facility in the Atlantic Ocean that is connected to the electric transmission system in New Jersey, includes the associated transmission-related interconnection facilities and equipment, and is 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. N.J.A.C. 14:8-6.1.

³ See N.J.A.C. 14:8-6.1 et seq.

⁴ N.J.A.C. 14:8-6.3(b).

⁵ See EO 8. EO 92 and EO 307 increased the State’s OSW goal, as discussed herein. See EO 92; EO 307. All other provisions of EO 8 remain in full force and effect.

⁶ See EO 8.

⁷ Id.

⁸ Id.

⁹ Id.

¹⁰ N.J.A.C. 14:8-6.1 et seq.

¹¹ EO 8. For a more detailed explanation regarding the OREC funding mechanism, see N.J.A.C. 14:8-6.6.

Rules set forth the method and processes by which New Jersey ratepayers fund OSW projects and detail how revenues from these projects are refunded to ratepayers.¹²

In September 2018, the Board issued a solicitation for 1,100 MW of offshore wind energy generation (“First Solicitation”).¹³ In June 2019, the Board approved an application for a 1,100 MW offshore wind generation project submitted by Ocean Wind LLC.¹⁴

On November 19, 2019, Governor Murphy signed EO 92, increasing the State’s offshore wind energy generation goal to 7,500 MW by 2035.¹⁵ 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.”¹⁶ 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.”¹⁷

On September 9, 2020, the Board issued a second solicitation for 1,200 to 2,400 MW of offshore wind generation projects (“Second Solicitation”).¹⁸ On June 30, 2021, the BPU approved applications for a 1,510 MW project submitted by Atlantic Shores Offshore Wind Project 1, LLC and a 1,148 MW project submitted by Ocean Wind II, LLC.¹⁹

On February 28, 2022, the Board announced an updated offshore wind solicitation schedule for New Jersey (“NJ Offshore Wind Solicitation Schedule”) to meet the 7,500 MW goal by 2035.²⁰ This updated schedule included revising the Board’s third OREC solicitation (“Third Solicitation”)

¹² N.J.A.C. 14:8-6.1 *et seq.*

¹³ 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.

¹⁴ 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.

¹⁵ See EO 92.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ In the Matter of the Opening of Offshore Wind Renewable Energy Certificate (OREC) Application Window for 1,200 to 2,400 Megawatts of Offshore Wind Capacity in Furtherance of Executive Order No 8 and Executive Order No. 92, BPU Docket No. QO20080555, Order dated September 9, 2020.

¹⁹ 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”); 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. *Id.* That number has been rounded here for ease of reference.

²⁰ The NJ Offshore Wind Solicitation Schedule lays out New Jersey’s plan for achieving the 11,000 MW goal and may be viewed on the BPU’s New Jersey’s Offshore Wind Program website, <https://njoffshorewind.com/>; BPU, New Jersey Updates Schedule for Third Offshore Wind Solicitation (Feb. 28, 2022), <https://www.nj.gov/bpu/newsroom/2022/approved/20220228.html>.

schedule to accommodate the integration of the State Agreement Approach (“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.²¹

On September 21, 2022, Governor Murphy signed 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.²²

To position the State to reach Governor Phil Murphy’s offshore wind goals, the Board formally requested PJM Interconnection L.L.C. (“PJM”) to solicit transmission solutions for New Jersey’s OSW public policy needs for its Regional Transmission Expansion Plan (“RTEP”)²³ through the SAA.²⁴

On October 26, 2022, the Board approved a series of transmission projects under the SAA, including the Larrabee Tri-Collector Solution, that provide a coordinated transmission solution for 6,400 MW of OSW generation.²⁵

On February 15, 2023, Governor Murphy signed EO 315, changing New Jersey’s renewable energy goal from 100 percent clean energy by 2050 to 100 percent clean energy by 2035.²⁶

²¹ Bureau of Ocean Energy Management held its commercial lease auction for the New York Bight on February 23, 2022, during which six leases were awarded. See New York Bight - Leasing History – Commercial Leases, <https://www.boem.gov/renewable-energy/state-activities/new-york-bight>.

²² See EO 307.

²³ In The Matter of Offshore Wind Transmission, BPU Docket No. QO20100630, Order dated November 18, 2020 (requesting that PJM utilize the SAA included in PJM’s Operating Agreement, authorizing PJM to include the proposed options for an open access offshore transmission facility into a future RTEP solicitation window, directing PJM to utilize certain Staff-recommended substations as the points of injection facilitating the State’s then-current 7,500 MW offshore wind goal, and ordering any transmission project selected for such purpose to be a “state public policy project”).

²⁴ See PJM, Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Compliance Filing of PJM before the Federal Energy Regulatory Commission (“FERC”), Docket No. RM10-23-000, 36-38 (October 25, 2012) (evidencing FERC’s approval of PJM’s plan to use the SAA as a means for allowing states to pursue their public policy goals), <https://www.pjm.com/directory/etariff/FercDockets/700/20121025-er13-198-000v2.pdf>.

²⁵ The Larrabee Tri-Collector Solution means Mid-Atlantic Offshore Development, LLC 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. 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 October 26, 2022. This Tri-Collector solution includes 3 circuits, providing 3,742 MW to the Larrabee Collector Station, a new substation adjacent to the existing JCP&L Larrabee substation that represents the predominant portion of the Larrabee Tri-Collector Solution; see also 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 October 26, 2022 (“2022 Transmission Order”).

²⁶ See EO 315.

On March 6, 2023, the Board issued its Third Solicitation.²⁷ The Third Solicitation sought a desired OSW capacity target of 1,200 MW to 4,000 MW.²⁸

On October 25, 2023, the Board rejected the Prebuild Infrastructure (“PBI”) proposals that were submitted as part of the Third Solicitation, finding that the PBI being awarded to a developer who also receives an award as a Qualified Offshore Wind Project represented an unreasonable risk to New Jersey ratepayers.²⁹ The Board directed Board staff (“Board Staff” or “Staff”) to develop a separate PBI solicitation.³⁰

On November 17, 2023, the Board issued a PBI solicitation and the Prebuild Solicitation Guidance Document.³¹ The Board explained that “the Prebuild envisioned a single construction effort to install the necessary Duct Banks and associated access Cable Vaults to house transmission Conduits for future use of up to four (4) OSW Qualified Projects, thereby enabling these projects to access the wholesale transmission system.”³² Any project awarded through the PBI Solicitation will be submitted to PJM for incorporation into PJM’s RTEP, and will also be submitted for cost recovery through the cost allocation provisions for Public Policy Projects approved by the FERC. The Prebuild Solicitation Application Submission Deadline was April 3, 2024, and an award is expected in third quarter 2024.

On November 29, 2023, Governor Murphy directed the BPU to issue the Fourth Solicitation in early 2024 as a reaffirmation of New Jersey’s commitment to achieving a 100% clean energy economy by 2035, including the “critical importance” of the State’s supply chain facilities to the regional offshore wind industry.³³

²⁷ In the Matter of the Opening of New Jersey’s Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order dated March 6, 2023.

²⁸ Id.

²⁹ In the Matter of the Opening of New Jersey’s Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order dated October 25, 2023.

³⁰ Ibid.

³¹ In the Matter of the Opening of a Solicitation for a Transmission Infrastructure Project to Support New Jersey’s Offshore Wind Public Policy, BPU Docket No. QO23100719, Order dated November 17, 2023. The PBI Solicitation defines a “Cable Vault” as a physically separate, underground vaults (accessible through manhole covers), located at certain distances along the onshore cable route of the PBI, to allow each Qualified Project to install and maintain its own transmission cables without impacting other Qualified Projects’ transmission cables. In addition, a “Conduit,” or cable conduit, is defined as the empty pipes installed as part of the PBI capable of future installation of cables to be pulled through from end to end. In the case of multiple conduit/cable sets, a Conduit may also be called a “cable duct” or a “duct bank.”

³² Ibid.

³³ State of New Jersey, Governor Murphy Directs New Jersey Board of Public Utilities to Accelerate New Offshore Wind Solicitation (Nov. 29, 2023), <https://www.nj.gov/governor/news/news/562023/20231201c.shtml>.

The Board has selected Levitan & Associates, Inc. (“LAI”) to act as the Board’s offshore wind consultant for the development of the Fourth Solicitation and the evaluation of applications received.³⁴ LAI’s scope of work includes the preparation of the Fourth Solicitation SGD.

By two (2) Board Orders, each dated January 24, 2024, the Board awarded two (2) of New Jersey’s largest OSW projects to date, the 1,342 MW Attentive Energy Two project (“Attentive”) and the 2,400 MW Leading Light Wind project (“Leading Light”).³⁵ By awarding a total of 3,742 MW to the Attentive and Leading Light projects, the Board awarded the projects the full SAA capability of the Larrabee Tri-Collector Solution.³⁶

On March 6, 2024, a draft Fourth Solicitation SGD (“Draft Fourth Solicitation SGD”) was released for public comment, and the NJ Offshore Wind Solicitation Schedule through 2040 was updated to reflect the accelerated timeline of the Fourth Solicitation.³⁷ The Draft Fourth Solicitation SGD provided proposed timeline and mechanics for the Fourth Solicitation, the Fourth Solicitation application requirements, and the criteria for evaluating Fourth Solicitation applications.³⁸

Along with the Draft Fourth Solicitation SGD, the BPU also issued notice of a public stakeholder meeting to be held on March 20, 2024 (“Public Meeting”) to solicit comments on the draft Fourth Solicitation SGD.³⁹ The Public Meeting was held on March 20, 2024. Consistent with such notice, the window for receiving written comments on the Fourth Solicitation SGD closed on March 27, 2024.⁴⁰

Comments received during the Public Meeting and the written comments period were carefully reviewed by Board Staff and LAI, and appropriate revisions were made to the Fourth Solicitation SGD (Attachment 1).

III. APPLICATION PROCESS

³⁴ See Agenda for Board Meeting (January 10, 2024), at 8 (Board approved in public session a modification to LAI’s existing contract for consulting services), <https://www.nj.gov/bpu/pdf/boardagendas/2024/20240110a.pdf>.

³⁵ In the Matter of the Opening of New Jersey’s Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order Approving Attentive Energy Two 1342 MW Project as a Qualified Offshore Wind Project (Order dated January 24, 2024)(“Attentive Order”); In the Matter of the Opening of New Jersey’s Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order Approving Leading Light Wind 2400 MW Project as a Qualified Offshore Wind Project (Order dated January 24, 2024)(“Leading Light Order”).

³⁶ Compare Attentive Order and Leading Light Order with 2022 Transmission Order.

³⁷ See NJ Offshore Wind Solicitation Schedule. The Draft Fourth Solicitation SGD may be viewed on the BPU’s Fourth New Jersey Offshore Wind Solicitation Documents website, <https://njoffshorewind.com/fourth-solicitation/solicitation-documents/>.

³⁸ Draft Fourth Solicitation SGD.

³⁹ See Notice - Stakeholder Meeting and Request for Comments, In the Matter of the Opening of New Jersey’s Fourth Solicitation for Offshore Wind Renewable Energy Certificates (ORECs), Docket No. QO24020109, https://www.nj.gov/bpu/pdf/publicnotice/Notice-Stakeholder_Draft%20Solicitation-2.pdf.

⁴⁰ Id.

At the Board's discretion, the Fourth Solicitation seeks to secure ORECs targeting at least 1,200 MW of capacity, and up to approximately 4,000 MW of capacity, to be produced by Qualified Projects.

Consistent with OWEDA, the Board rules at N.J.A.C. 14:8-6.3 and the Fourth Solicitation SGD establish the timeframe for a Fourth Solicitation application process as follows:

- The Board will announce the open and close dates for all application periods, which shall be set at the Board's discretion;⁴¹
- Prospective entities submitting an application (each such entity, an "Applicant" and such application, the "Application") must email njoffshorewind@levitan.com no later than 5:00 p.m. Eastern Time thirty (30) days prior to the Application submission deadline with the subject line "Notice of Intent to Respond" and identify the Applicant and primary contact person and their contact information (name, title, email address, and phone number).⁴² While submitting a Notice of Intent to Respond does not bind an Applicant to submit an Application, the Applicant must submit such item as a prerequisite for submitting an Application;
- The Applicant shall meet with Board Staff and representatives of the Division of Rate Counsel ("Rate Counsel") together, no less than thirty (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, no less than thirty (30) days prior to submission of their Applications. Applicants will also need to meet with representatives of the New Jersey Economic Development Authority ("NJEDA") and Board Staff together, no less than thirty (30) days prior to submission of their Applications;⁴³
- An entity seeking to receive ORECs in connection with an offshore wind project shall submit an Application to the Board for such project's approval as a Qualified Project;
- 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 email within thirty (30) days after the Application submission deadline regarding any identified deficiencies;⁴⁴ and
- Once Board Staff deems an Application administratively complete, the Board has 180 days from the receipt of such administratively complete Application to approve, conditionally approve or deny that Application.⁴⁵

IV. OFFSHORE WIND SOLICITATION GUIDANCE DOCUMENT

The Fourth Solicitation SGD (Attachment 1) is consistent with the Board's rules governing the Application requirements and provides further clarification on the State's goals and Board's rules governing the Application for ORECs. The Fourth Solicitation SGD includes all of the Application

⁴¹ N.J.A.C. 14:8-6.3(b).

⁴² See Fourth Solicitation SGD, Section 2.3 ("Timeline and Mechanics of the Solicitation - Application Submission").

⁴³ N.J.A.C. 14:8-6.3(d).

⁴⁴ N.J.A.C. 14:8-6.4(b).

⁴⁵ N.J.A.C. 14:8-6.4(c).

requirements and provides guidance on the preparation of the Application, standards and assumptions to be used in preparing the Application, the formats to be used for submittal of the information required under the rules, evaluation criteria, the Fourth Solicitation schedule, and key dates, including application open and close dates. The Fourth Solicitation SGD is intended to:

- Simplify the Application process by compiling all relevant requirements in one place;
- Ensure a fair and competitive solicitation process by giving all potential bidders equal access and opportunity to ask questions and receive guidance; and
- Facilitate the evaluation of Applications.

OWEDA permits the Board and the State to be reimbursed for “all reasonable costs incurred for regulatory review of the project, including but not limited to consulting services, oversight, inspections, and audits.” N.J.S.A. 48:3-87.1(c)(4). In accordance with N.J.S.A. 48:3-87.1 and N.J.A.C. 14:8-6.5(a)(15), and as specified in Section 2.4 of the Fourth Solicitation SGD, 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 for a particular Applicant. An Applicant must submit an incremental Application deposit of \$25,000 for each additional project after the third project that is included in its Application.

V. STAFF’S RECOMMENDATION

Upon review and consideration of all comments and input received from stakeholders, Staff recommends that the Board open an Application window to consider projects seeking eligibility to receive ORECs as a Qualified Project. Staff recommends that the Board open the Application window from the effective date of this Order until 5:00 p.m. Eastern Time on July 10, 2024 to allow interested Applicants sufficient time to prepare and submit their Applications for consideration.

NJDEP requested that the Board consider waiving the following specific requirement under N.J.A.C. 14:8-6.5(a)(11)(xiv)(2) at this time, so that an Application does not need to include a description of how Applicants’ “activities will be coordinated with the New Jersey Department of Environmental Protection (NJDEP) Ecological Baseline Studies⁴⁶, and indicate how each resource issue, if impacted, will be addressed.” NJDEP requested, and Staff concurs, that this provision of the Board’s rules be waived because the referenced Ecological Baseline Studies, which were conducted in 2009 and have not been updated since, are now outdated and thus not reflective of NJDEP and the scientific community’s current understanding of natural resources located off New Jersey’s coastline. In the Third Solicitation, Staff and NJDEP closely coordinated to develop the State’s most aggressive environmental requirements included in an offshore wind solicitation, utilizing recent research. Those requirements are also included in the Fourth Solicitation SGD. At the suggestions of NJDEP, Board Staff recommends that the Board waive the aforementioned rule relating to the outdated Ecological Baseline Studies.

VI. DISCUSSION AND FINDINGS

Consistent with OWEDA, the Board rules at N.J.A.C. 14:8-6.1 et seq., EO 8, EO 92, EO 307, and EO 315, the Board has carefully considered Staff’s recommendations. The Board **HEREBY FINDS**

⁴⁶ <https://dep.nj.gov/offshorewind/resources/#ecological-baseline-studies>

that it is in the best interest of the State and its ratepayers to open an Application window for the Fourth Solicitation.

Pursuant to N.J.A.C. 14:8-6.3(b), the Board **HEREBY OPENS** an Application window commencing on the effective date of this Order until 5:00 p.m. Eastern Time on July 10, 2024, for offshore wind projects in lease areas designated by Bureau of Ocean Energy Management (“BOEM”) in federal waters on the outer continental shelf off the coast of New Jersey.

Further, the Board **HEREBY APPROVES** the use of the Fourth Solicitation SGD to inform Applicants of the Fourth Solicitation process and Application requirements consistent with the rules at N.J.A.C. 14:8-6-1 et seq. The Board **HEREBY DIRECTS** Applicants to place \$500,000 USD on deposit with the Board, which includes a base bid and two (2) additional project bids, and deposit \$25,000 USD for each additional project bid. In addition, Staff is **HEREBY AUTHORIZED** to require Applicants to place additional amounts on deposit, as necessary.


The Board’s rules state that “[i]n special cases, and for good cause shown, the Board may...relax or permit deviations from these rules.” N.J.A.C. 14:1-1.2(b). The Board’s rules go on to explain that “[t]he Board shall, in accordance with the general purpose and intent of its rules, waive section(s) of its rules if full compliance with the rule(s) would adversely affect the ratepayers of a utility or other regulated entity, the ability of said utility or other regulated entity to continue to render safe, adequate or proper service, or the interest of the general public.” N.J.A.C. 14:1-1.2(b)(1). Having considered Board Staff’s recommendation regarding waiving N.J.A.C. 14:8-6.5(a)(11)(xiv)(2) as well as NJDEP’s reasoning, the Board **HEREBY IS SATISFIED** that a waiver is appropriate in this case because the Ecological Baseline Studies are currently outdated. Accordingly, the Board **FINDS** good cause and **HEREBY WAIVES** the application requirement enumerated in N.J.A.C. 14:8-6.5(a)(11)(xiv)(2) for the Fourth Solicitation.


Therefore, the Board, pursuant to OWEDA, the Board regulations, EO 8, EO 92, EO 307, and EO 315, **HEREBY INVITES** any and all interested parties to submit Applications for offshore wind projects in lease areas designated by BOEM in federal waters off the coast of New Jersey that are able to interconnect to the transmission system in New Jersey.

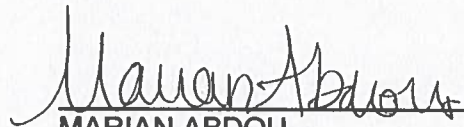
The effective date of this Order is April 30, 2024.

DATED: April 30, 2024

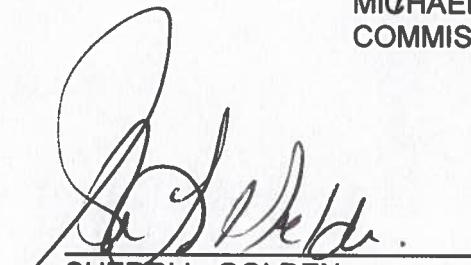
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BY:


CHRISTINE GUHL-SABOVV
PRESIDENT


DR. ZENON CHRISTODOLOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER

ATTEST: 
SHERRI L. GOLDEN
SECRETARY

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

IN THE MATTER OF THE OPENING OF NEW JERSEY'S FOURTH SOLICITATION FOR
OFFSHORE WIND RENEWABLE ENERGY CERTIFICATES (ORECs)

DOCKET NO. QO24020109

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New Jersey Offshore Wind Fourth Solicitation

Solicitation Guidance Document

Application Submission for Proposed Offshore Wind Facilities

New Jersey Board of Public Utilities

44 S. Clinton Ave, Trenton, NJ

April 30, 2024

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List of Acronyms and Defined Terms

Alternating Current (“AC”).

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

Applicant, the entity submitting an Application.

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

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

Best and Final Offer (“BAFO”).

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

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

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

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

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

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

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

Environmental Protection Plan (“EPP”).

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

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

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

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

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

Fisheries Protection Plan (“FPP”).

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

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

High Voltage Direct Current (“HVDC”).

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

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

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

New Jersey Economic Development Authority (“NJEDA”).

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

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

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

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

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

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

Point of Interconnection (“POI”).

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

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

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

Rate Counsel, the New Jersey Division of Rate Counsel.

Re-Bid Project, a Project, or portion of a Project, that was previously selected as a Qualified Project in the First Solicitation or Second Solicitation and/or includes utilization of any rights, interests and/or obligations granted by the Board to the Qualified Project selected in the First Solicitation or Second Solicitation.

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

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

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

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

Solicitation Website, <https://bpuoffshorewind.nj.gov/fourth-solicitation> (BPU, “New Jersey Offshore Wind Program – Fourth Solicitation”), website for information regarding this Fourth Solicitation and the main point of information exchange between the BPU and potential Applicants.

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

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

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

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

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

Transmission System Upgrade Costs (“TSUC”).

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

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

1 INTRODUCTION AND OVERVIEW OF THE OREC PROGRAM

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

A proposed Project, such as those submitted in response to this Fourth Solicitation, becomes a Qualified Project once it has been approved by the BPU.² An Applicant may submit multiple Projects in an Application, as long as the Applicant clearly specifies each Project’s distinct parameters, including but not limited to the specific configuration of the wind turbine electric generation facility, its associated design elements, and its components. Individual Projects included in an Application may be owned by different affiliated special purpose entities, and the Applicant must specify the ownership structure for each Project and provide a justification for the separation. In the event that multiple such Projects are selected by the BPU, each Qualified Project will be subject to a separate Board Order, subject to the Board’s determination that the provided justification is reasonable.

This Solicitation Guidance Document (“SGD”) includes information on the timeline and mechanics of the Fourth Solicitation (Section 2), the Application requirements (Section 3), and the criteria for evaluating Applications (Section 4).

1.1 Background

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

² N.J.A.C. 14:8-6.1.

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

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

⁵ EO 8.

“contribute to a stronger New Jersey economy.”⁶ To this end, in EO 8, Governor Murphy set a “goal of 3,500 MW of offshore wind energy generation by the year 2030.”⁷

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

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

On September 9, 2020, the BPU issued a solicitation for 1,200 to 2,400 MW of offshore wind generation (“Second Solicitation”). On June 30, 2021, the BPU approved Applications for a 1,510 MW project

⁶ Id.

⁷ Id.

⁸ N.J.A.C. 14:8-6.1 et seq.

⁹ See N.J.A.C. 14:8-6.6.

¹⁰ Id.

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

¹² In the Matter of the Board of Public Utilities Offshore Wind Solicitation for 1,100 MW—Evaluation of the Offshore Wind Applications, BPU Docket No. QO18121289, Order dated June 21, 2019 (“June 21, 2019 Order”).

¹³ See EO 92.

¹⁴ Id.

¹⁵ Id.

submitted by Atlantic Shores Offshore Wind Project 1, LLC¹⁶ and a 1,148 MW project submitted by Ocean Wind II, LLC.¹⁷

On February 28, 2022, the BPU announced an updated offshore wind solicitation schedule to meet the 7,500 MW goal by 2035.¹⁸ This updated schedule included revising the Third Solicitation schedule to accommodate the integration of the SAA coordinated transmission solution and to allow the developers who successfully bid for new lease areas in the New York Bight sufficient time to further develop their proposed projects, including the establishment of stakeholder and supply chain relationships.¹⁹

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

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

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

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

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

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

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

²⁰ See EO 307.

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

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

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

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

On November 17, 2023, the Board issued a PBI solicitation and the Prebuild Solicitation Guidance Document in which it “explained that the Prebuild envisioned a single construction effort to install the necessary Duct Banks and associated access Cable Vaults to house transmission Conduits for future use of up to four (4) OSW Qualified Projects, thereby enabling these projects to access the wholesale transmission system. . . .”²⁶ Any project awarded through the Prebuild Solicitation will be submitted to PJM for incorporation into the RTEP, and will also be submitted for cost recovery through the cost allocation provisions for Public Policy Projects, approved by FERC. The Prebuild Solicitation Application Submission Deadline was April 3, 2024, and an award under the Prebuild Solicitation is expected in Q3 2024. Per the Prebuild Solicitation Guidance Document, the Expected In-Service Date for the PBI is October 18, 2028 for the Onshore Only Scope and January 17, 2029 for the Full Scope.²⁷

On November 29, 2023, Governor Murphy directed the BPU to issue the Fourth Solicitation in early 2024 as a reaffirmation of New Jersey’s commitment to achieving a 100% clean energy economy by 2035, including the critical importance of the State’s supply chain facilities to the regional offshore wind industry.²⁸

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

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

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

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

²⁷ The “Expected In-Service Date” and “Onshore Only Scope” are each defined in Section 2, Table 1 (“Timeline and Mechanics of the Solicitation – Timeline for Submission and Evaluation of Proposals”) of the Prebuild Solicitation Guidance Document. See Id. at 4. The “Full Scope” means full scope of the Prebuild, including but not limited to Duct Banks, Cable Vaults, HDD bores, Conduits, and any submarine exit points. See Id. at 30.

²⁸ State of New Jersey, Governor Murphy Directs New Jersey Board of Public Utilities to Accelerate New Offshore Wind Solicitation (Nov. 29, 2023), <https://www.nj.gov/governor/news/news/562023/approved/20231129a.shtml>.

On January 24, 2024, the Board approved the Application for the 2,400 MW Leading Light Wind project submitted by Invenergy Wind Offshore LLC.²⁹ On January 24, 2024, the Board also approved the 1,342 MW Attentive Energy Two project submitted by Attentive Energy LLC.³⁰ The Board awarded these projects the full SAA capability of the Larrabee Tri-Collector Solution.

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

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

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

*The Board may award projects above or below the target

**To be adjusted based on previous solicitation awards

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

1.2 Overview of the Solicitation

ORECs, as defined in N.J.A.C. 14:8-6.1, are certificates the Board issues that represent the environmental attributes of one megawatt hour (“MWh”) of electric generation from a Qualified Project. For each MWh delivered to the grid, a Qualified Project will be credited with one OREC. For each OREC, the Qualified Project will be paid the Board-approved OREC Purchase Price, an amount which reflects the total capital and operating cost for the Qualified Project over a 20-year period, including costs of equipment, construction, financing, operations and maintenance, and taxes, offset by any State or

²⁹ In the Matter of the Opening of New Jersey’s Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order dated January 24, 2024 (“Leading Light Wind January 2024 Order”). The Leading Light Wind January 2024 Order approves the Leading Light Wind 2,400 MW Project as a Qualified Offshore Wind Project. Id.

³⁰ In the Matter of the Opening of New Jersey’s Third Solicitation for Offshore Wind Renewable Energy Certificates (OREC), BPU Docket No. QO22080481, Order dated January 24, 2024 (“Attentive Energy Two January 2024 Order”). The Attentive Energy Two January 2024 Order approves the Attentive Energy Two 1342 MW Project as a Qualified Offshore Wind Project. Id.

Federal tax credits and other subsidies or grants.³¹ The OREC Purchase Price will be fixed for each year over the first 20 years of the Qualified Project's commercial operation. A Project may propose multiple phases. Each phase of a Qualified Project will have a 20-year term, and the same OREC Purchase Price will apply to all phases of a Qualified Project during a given Energy Year. Once the BPU approves one or more Qualified Projects, the BPU will establish a statewide OREC purchase requirement for future Energy Years³² 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.³³

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."³⁴ 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.³⁵ Accordingly, ORECs are eligible to be sold in the Energy Year in which they are generated as well as during the following two (2) Energy Years. If the Qualified Project falls short of its Annual OREC Allowance in a particular Energy Year, such shortfall may be added to the following Energy Year's Annual OREC Allowance. Over the 20-year OREC term, the three (3)-year OREC qualification life provides reasonable assurance to offset an energy shortfall in a given Energy Year, so that the Applicant will be given the opportunity to realize the Qualified Project's full, approved Annual OREC Allowance.

1.3 Pricing Structure

Per N.J.A.C. 14:8-6.5(a)(12)(iv), OREC pricing will be on a pay-for-performance basis. Payments will be made on a \$/MWh basis, subject to the Annual OREC Allowance described above.³⁶ The Applicant is responsible for any Qualified Project cost overruns.³⁷ Ratepayers will not be responsible for any costs associated with non-performance that an Applicant incurs with respect to its Qualified Project.³⁸

With respect to any proposed Project, the burden remains on the Applicant to propose an OREC price and schedule.³⁹ The OREC pricing proposal shall specify the nameplate capacity, expected energy

³¹ N.J.A.C. 14:8-6.5(a)(12)(vii).

³² N.J.A.C. 14:8-6.1.

³³ "Class I renewable energy" includes electricity derived from solar, wind, wave and tidal action, geothermal, combustion of methane gas captured from a landfill, fuel cell powered by methanol, ethanol, landfill gas, digester gas, biomass gas, or other renewable fuel, or combustion of gas from the anaerobic digestion of food waste and sewage sludge at a biomass generating facility. See N.J.S.A. 48:3-51. See also N.J.A.C. 14:8-2.5(b)(3).

³⁴ Id.

³⁵ Id. See also N.J.A.C. 14:8-6.6(a)(5). This timing allows the OREC to be banked for future use.

³⁶ Unless otherwise specified, all dollar amounts specified in this Solicitation Guidance Document shall be in U.S. dollars.

³⁷ N.J.A.C. 14:8-6.5(a)(12)(iv). Qualified Project cost overruns shall include greater than anticipated costs to complete the project, but for this Fourth Solicitation do not include any potential cost overruns associated with construction of the Board approved SAA projects.

³⁸ Id.

³⁹ N.J.A.C. 14:8-6.5(a)(12).

output, and assumed capacity factor for the proposed Project, along with the number of ORECs that the Project will produce.⁴⁰ The OREC pricing proposal shall represent the calculation of the OREC price based on the total revenue requirements of the Project over a 20-year period, including the cost of equipment, taxes, construction, operation, and maintenance, debt service costs, return on equity, and depreciation, offset by any Federal Investment Tax Credit or Production Tax Credit, state tax credit, or other subsidies or grants.⁴¹ Applicant must propose a price per OREC (MWh) that makes the Project commercially viable.⁴² The value of the wholesale products administered by PJM associated with the ORECs shall not be deducted when calculating the OREC price. The Board will then accept, modify, or reject the Applicant’s proposed OREC price.⁴³

For each Project, the Applicant must propose a fixed, flat OREC price for the proposed term or a fixed price for every contract year, based on a fixed First Energy Year price and a fixed annual escalator, that will be payable for each MWh produced by the Project up to the Annual OREC Allowance.⁴⁴ Note, the fixed annual escalator would be independent of the inflation adjustment mechanism described below. The OREC Purchase Price for any Project utilizing the PBI should not include the cost of constructing the Duct Banks or Cable Vaults for the Project that will be constructed as part of the PBI.

In the event that an Application includes multiple discrete Projects that are not mutually exclusive and awardable individually in addition to being awardable together, the Applicant may propose pricing for each Project that is contingent on the selection of one or more additional Projects, in addition to the required pricing for each Project as a standalone award. In the event that multiple Projects are awarded with contingent pricing, each Project shall be subject to all Performance Guarantees, defined under Section 2.6, individually and separately. For clarity, any Re-Bid Project that is part of a contingent award will be subject to the Re-Bid Performance Guarantee identified in Section 2.6.

The submitted OREC pricing for each Project will be adjusted for inflation on the date that is three (3) years before the proposed COD for the first phase of the Project (“Inflation Adjustment Date”), as submitted in the Application. If the developer of a Qualified Project petitions the BPU to adjust the COD for the first phase of the Project prior to the original Inflation Adjustment Date, the petition can also include a corresponding change to the Inflation Adjustment Date, so that it would be three (3) years before the newly proposed COD of the first phase of the Project. If the developer of a Qualified Project petitions the BPU to adjust the COD for the first phase of the Project after the Inflation Adjustment Date, the petition cannot include a corresponding change to the Inflation Adjustment Date. The inflation adjustment will use the following mechanism, with the adjustment multiplier calculated to one decimal place:

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

⁴⁰ N.J.A.C. 14:8-6.5(a)(12)(viii)(5)-(7).

⁴¹ N.J.A.C. 14:8-6.5(a)(12)(viii)(1)-(4). Additional funding from ratepayers is not expected to be available to support operation, maintenance and decommissioning after the OREC term.

⁴² N.J.A.C. 14:8-6.5(a)(12)(viii)(8).

⁴³ N.J.A.C. 14:8-6.5(a)(12)(iii).

⁴⁴ Id. For clarity, a contract year for a Project need not be the same as a particular Energy Year, such that a contract year may span a portion of more than one Energy Year.

where:

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

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

$Index_{M,i}$ is the average index value for price component i over the twelve months prior to date that is three years before the proposed COD for the first phase of the Project as submitted in the Application;⁴⁵

$Index_{i,j}$ is the average index value for price component i over the twelve months prior to the BAFO Submission Deadline;⁴⁶ and

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

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

Table 2. Components and Indices for Inflation Adjustment

Component	F Value	Index
Fixed	0.2	N/A
Labor (unitless index)	0.2	U.S. Bureau of Labor Statistics (“BLS”) Employment Cost Trends Data Series CES2000000003 Average hourly earnings of all employees, construction, seasonally adjusted
Fabrication (unitless index)	0.25	BLS PPI Data Series PCU811310811310 PPI industry data for Commercial machinery repair and maintenance, not seasonally adjusted
Steel (unitless index)	0.2	BLS PPI Data Series PCU331110331110 PPI industry data for Iron and steel mills and ferroalloy manufacturing, not seasonally adjusted
Fuel (US\$ per barrel)	0.1	U.S. Energy Information Administration WTI-Cushing Oklahoma, daily price for the last trading day of the month
Copper (unitless index)	0.05	BLS PPI Data Series WPU10260314 PPI industry data for Metals and Metal Products: Copper Wire and Cable

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

⁴⁵ The $Index_{M,i}$ values will be calculated using the data that is available on the date that is three years before the proposed COD for the first phase of the Project as submitted in the Application, regardless of whether any of the values are preliminary.

⁴⁶ The anticipated BAFO Submission Deadline is set forth in “Table 3: Fourth Solicitation Timeline” herein.

or other benefits or other funding not previously identified in the Application and not included in the Applicant’s OREC Purchase Price derivation, including, but not limited to, tax credits, subsidies, and grants.⁴⁷ Applicants are required to exercise reasonable efforts to maximize revenues ascribable to the sale of these products, including any other environmental benefits, through ongoing active participation in PJM’s wholesale market.

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

Table 3. Incremental Tax Credit Treatment

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

1.4 Transmission and Interconnection Requirements

Each Application submitted in response to the Fourth Solicitation may include one or more Project options that utilize an HVDC export cable, the PBI and SAA Capability and/or one or more Project options that do not utilize the PBI and SAA Capability, instead including a radial HVAC or HVDC export cable to an alternate point of interconnection (“POI”), as discussed in more detail in Section 3.13 herein. Re-Bid Projects are also permitted to submit Project options utilizing the PBI and SAA Capability.

1.5 Contingencies Related to Other States’ Concurrent Solicitations

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

⁴⁷ 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.

A Contingent Project is subject to the following conditions:

- (i) It must be explicitly identified in the Application, along with the name of the other state's concurrent offshore wind solicitation upon which the Contingent Project is contingent;
- (ii) The Applicant must notify Board Staff that a Contingent Project should be removed from consideration no later than three (3) business days after receiving notice of an award from another state;⁴⁸
- (iii) The Applicant must notify Board Staff no later than the BAFO Submission Deadline whether a Contingent Project should be removed from consideration even if Applicant has not been notified of selection for negotiation of a contract by another state prior to that date;
- (iv) In the event that Board Staff learns from a source other than the Applicant that such Applicant's Contingent Project has been selected for negotiation of a contract by another state absent notification from such Applicant, Board Staff, in its sole discretion, may terminate consideration of that Applicant's Contingent Project(s) without notifying Applicant;
- (v) An Applicant's withdrawal of a Contingent Project submitted to the Board, or Board Staff's termination of consideration of a Contingent Project as a result of condition (iv) above, will not result in the return of any portion of the Application Deposit submitted by the Applicant; and,
- (vi) The submission of a Contingent Project will not confer on the Applicant any additional rights and privileges not otherwise incorporated in the SGD.

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

1.6 Applications from Projects Previously Selected as Qualified Projects

In the Fourth Solicitation, the Board will provide a limited opportunity for Applicants to submit Applications for Re-Bid Projects, that is Projects that were selected as Qualified Projects in the First Solicitation or Second Solicitation, subject to certain conditions set forth below. In addition, any Applications received by the Board that propose utilization of any rights, interests and/or obligations granted by the Board to Qualified Projects selected in the First Solicitation or Second Solicitation will also be considered Re-Bid Projects subject to the conditions in this Section 1.6.

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

- For any Re-Bid Project selected as a Qualified Project in the Fourth Solicitation, the applicable original awardee in the First Solicitation or the Second Solicitation will, as a condition of the Fourth Solicitation award, be required to have its prior selection as a Qualified Project terminated with the consent of the Board and Rate Counsel. The Applicant of the Re-Bid Project, and the original awardee of the applicable First or Second Solicitation Qualified Project if not the Re-Bid Project Applicant, agree(s) to waive any and all objections to such

⁴⁸ A "business day" means any day in which normal business operations are conducted between the hours of 9 a.m. to 5 p.m. New York time, Monday through Friday. Business days do not include weekends or any public holiday observed in New Jersey.

termination, and to execute such documents as may be reasonably necessary to effectuate termination by consent.

- The Applicant submitting the Re-Bid Project must maintain the Tier 1 funding and sourcing commitments associated with the original Qualified Project(s) unless the Applicant explains why a different sourcing commitment decreases the ratepayer impact, advances the COD, increases or otherwise improves the likelihood of successful commercial operation, and/or increases or otherwise improves the quality of the economic benefits associated with the original Qualified Project(s).
- The Board strongly encourages the Applicant submitting the Re-Bid Project to maintain other supply chain funding, workforce development or miscellaneous economic benefits previously submitted to the Board with respect to the original Qualified Project(s). If the Applicant modifies such previously submitted commitments, such Applicant must explain why a modification of these prior commitments decreases the ratepayer impact, advances the COD, increases or otherwise improves the likelihood of successful commercial operation, and/or increases or otherwise improves the quality of the economic benefits associated with the original Qualified Project(s).
- If a Re-Bid Project is selected as a Qualified Project, the Applicant will need to provide Re-Bid Commitment Security of \$100,000,000 in the form of an irrevocable letter of credit, as described in Section 2.6.
- The Applicant must provide a justification for re-submitting the Re-Bid Project for consideration, as described in Section 3.1.
- For any Re-Bid Projects with proposed or contingent Project sales or transfers, distinct from considerations related to Contingent Projects, Applicants should provide information on the terms of sale, as described in Section 3.1. Applicants must provide the same information for the entities that may own and invest in the Re-Bid Project following the proposed or contingent Project sale or transfer that is required to be provided for the current owners and investors of the Re-Bid Project. Representatives of both the current and potential future owners should participate in the pre-Application meetings required per Section 2.4.
- For the Re-Bid Project's economic impact guarantees, the Applicant may include in-state spending from the start of procurement activities for the original Qualified Project. If the Applicant elects to include such spending, and any portion of such spending has already occurred, the Applicant must also submit documentation and sufficient evidence proving that such expenditures occurred.
- Any such Re-Bid Project may propose the reutilization of the prior POI(s) associated with the original First Solicitation or Second Solicitation Qualified Project, but may also propose an alternative POI, as described in Section 3.13.

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

2 TIMELINE AND MECHANICS OF THE SOLICITATION

2.1 Timeline for Submission and Evaluation

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

Table 4. Fourth Solicitation Timeline

Event	Date
Board Consideration of Solicitation	April 30, 2024
Solicitation Issued	April 30, 2024
Bidders' Conference for all prospective Applicants	May 15, 2024, 9:30 am-12:30 pm EDT
Deadline for prospective Applicants to Submit Questions	May 31, 2024
Deadline for prospective Applicants to Participate in Pre-Application Meetings with Board Staff and Rate Counsel, NJDEP and NJEDA	June 10, 2024
Notice of Intent to Respond Submitted	June 10, 2024, 5:00 pm EDT
Application Submission Deadline	July 10, 2024, 5:00 pm EDT
Administrative Completeness Determination Deadline	August 9, 2024
BAFO Submission Deadline	Mid-November 2024 ⁴⁹
Board Decision on Submitted Applications	December 2024
Post-Application Meeting (if requested by an Applicant)	Q1 2025

2.2 Website and Bidders' Conference

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

Stakeholders can also find information related to the Fourth Solicitation using the Board's Public Document Search tool under Docket No. QO24020109.⁵⁰ Stakeholders can also subscribe to Fourth Solicitation updates posted in the Docket through the [Public Document Search tool](#). Updates will include notifications of notices released by the Board, comments received (if public), and Board Orders.

A Bidders' Conference will be held for all prospective Applicants via webinar at 9:30 a.m. EDT on May 15, 2024. Prospective Applicants must register for the Bidders' Conference at <https://levitan.my.webex.com/weblink/register/raa7eb970fe85246a505aeed51ece3df0> no later than 12:00 pm EDT on May 14, 2024. Once registration is approved, attendees associated with prospective Applicants will receive an e-mail confirmation and webinar link.

⁴⁹ The exact date in mid-November 2024 will be provided to Applicants in the BAFO opportunity notice.

⁵⁰ See BPU, Public Document Search, https://publicaccess.bpu.state.nj.us/CaseSummary.aspx?case_id=2112697.

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

To ensure that all Applicants have the same information, a Q&A page will be established on the Solicitation Website.⁵¹ At the Bidders' Conference, Board Staff may verbally respond to questions that are submitted in advance of the Bidders' Conference. Applicants will have the opportunity to submit questions during the Bidders' Conference, which may be answered in real-time or deferred to written responses on the Q&A page of the Solicitation Website. Only written responses on the Q&A page of the Solicitation Website will constitute official guidance. Written responses to questions submitted through the Solicitation Website or during the Bidders' Conference will be posted to the Solicitation Website and will be available to all Applicants. Names and other identifying details of persons submitting questions will be removed from the submitted questions to maintain confidentiality.

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

2.3 Application Submission

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

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

2.4 Application Requirements

All Applicants may submit one or more Projects that do not utilize the PBI, the LCS, and the remaining SAA Capability and/or one or more Projects that will utilize the PBI's fourth circuit, the LCS, and the remaining SAA Capability.⁵² Applicants are free to submit Project sizes in any increment that yields net benefits. There is no limit on the number of Projects that can be included in a single Application. This

⁵¹ See Solicitation Website, <https://bpuoffshorewind.nj.gov/fourth-solicitation/questions-and-answers/>.

⁵² As described in Section 3 ("Prebuild Infrastructure Requirements") of the Prebuild Solicitation Guidance Document, the PBI will include four circuits. Three of these circuits will be utilized by the Qualified Projects awarded in the Third Solicitation.

optionality will support the BPU's desire to retain flexibility in its procurement. Throughout the evaluation process, Board Staff will gauge the impact of Project size, or the total size of a portfolio of Projects, on all evaluation criteria, with the goal of selecting a portfolio that confers economic benefits through Tier 1 supply chain investment in New Jersey. For Projects that utilize the PBI, Applicants are encouraged to propose a Project capacity that optimizes utilization of the PBI's fourth circuit, the LCS and remaining SAA Capability, and the impact of exceeding the remaining SAA Capability on ratepayers through TSUC sharing. Additional information about utilizing SAA Capability, connecting to the LCS and capacity flexibility is provided in Section 3.13.

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

The required contents of a complete Application are described in detail in Section 3 herein.

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

The Application Deposit may be paid by either ACH transfer or bank check. Please request ACH transfer instructions by emailing njoffshorewind@levitan.com. Checks should be made payable to: State of New Jersey, Treasurer. Please place the following note on the check and any associated paperwork: "OSW S4 Bid Deposit." Checks must be mailed or delivered to the below address. Checks must be postmarked no later than the Application Submission Deadline and received by the BPU no later than 3:00 pm EDT on July 17, 2024 (five (5) business days after the Application Submission Deadline):

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

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

Per N.J.A.C. 14:8-6.3(d), the Applicant shall meet with Board Staff and Rate Counsel representatives together, no less than 30 days prior to submission of an Application, to discuss all aspects of the Application. Applicants will also need to meet with representatives of the NJDEP and Board Staff together, and representatives of the NJEDA and Board Staff together no less than 30 days prior to the submission of an Application. Instructions for scheduling these meetings will be posted to the

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

Solicitation Website. Applicants submitting Project(s) that are the subject of a pending or contingent sale should ensure that representatives of both the current and future potential Project owner(s) are present for these meetings.

The Board's rules of practice prohibit Applicants and Commissioners of the Board from discussing the Fourth Solicitation, or topics directly related to the Fourth Solicitation, from the date the Fourth Solicitation is issued until the date the Board Order announcing the selected Qualified Projects for the Fourth Solicitation ("Board Decision") is issued, which is currently anticipated to occur in December 2024. If an Applicant has a need to meet with one or more Commissioner(s) on matters unrelated to the Fourth Solicitation, which is discouraged during the time which the Fourth Solicitation is open and pending, Applicants must request the Board's Office of General Counsel to review their request to meet with Commissioner(s). Applicants may continue to communicate with other State agencies and with Board Staff in the normal course of business.

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

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

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

⁵⁴ N.J.A.C. 14:8-6.4(b).

⁵⁵ N.J.A.C. 14:8-6.4(c).

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

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

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.⁵⁸ However, the Board appreciates the confidential nature of some of the material that must be submitted with an Application. The Board further recognizes that New Jersey law allows Applicants to request protection of:

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

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

To facilitate the review process, the Board will require all Applicants to submit public (redacted) and confidential (unredacted) versions of their Applications, 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 confidential version of the Application must be submitted by the Application Submission Deadline. The public version of the Application must be submitted within five business days after the Application Submission Deadline, that is, by 5:00 pm EDT on July 17, 2024.

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

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

⁵⁸ N.J.S.A. 47:1A-1 et seq.

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, identification of entities that directly or indirectly have an ownership stake in the Project, 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."⁵⁹

The Board notes that it may elect to share confidential portions of the Application materials with other New Jersey government entities, including, but not limited to, NJDEP, Rate Counsel, and NJEDA, during the evaluation period or post-award. The Board also notes that it may elect to publish information marked as confidential in the Board Decision to the extent necessary to support the award, consistent with prior practice, including, but not limited to, the OREC Purchase Price, economic benefits commitments, environmental impacts and commitments, guaranteed spending and jobs, Project owners and investors, schedule, and siting of associated facilities.

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

2.6 Performance Guarantee

Within the timeframe specified in the Board Order regarding a Fourth Solicitation award, which will not be less than 180 days after the Board Order, each awarded Qualified Project, already bound, along with other entities referenced therein, to the obligations set forth in the Board Order making the award, shall make a Compliance Filing with the Board that more precisely defines how the awardee, any affiliated entities, including, but not limited to parents, as well as successors and assignees intend to meet the following commitments and critical milestones, as applicable, made by the Qualified Project and approved or modified, as applicable, by the Board in the Board Decision:

1. Tier 1⁶⁰ infrastructure investment commitments⁶¹ ("Tier 1 Investment Commitments").
2. Achieving the final phase COD of the Qualified Project ("COD Commitment").

⁵⁹ See N.J.A.C. 17:12-1.2(b)-(c).

⁶⁰ "Tier 1" is defined as the primary supplier who contracts directly with the Qualified Project developer to deliver a major contract package. The definition of Tier 1 also includes towers, even if contracted by the Original Equipment Manufacturer ("OEM") with the tower manufacturer rather than the Qualified Project developer.

⁶¹ "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.

3. For Re-Bid Projects, an additional \$100,000,000 Commitment tied to achievement of the final phase COD of the Qualified Project (“Re-Bid Commitment”).

The Compliance Filing shall include:

1. A primary schedule with specific dates for each of the Critical Milestones in each applicable category listed below (“Primary Critical Milestone Schedule”).
2. The Compliance Filing must at a minimum include a Primary Critical Milestone Schedule, with the option of providing an alternative to the Primary Critical Milestone Schedule (“Alternative Critical Milestone Schedule”). The Compliance Filing may propose an Alternative Critical Milestone Schedule if other Critical Milestones better align with the realization of the Qualified Project’s commitments. Proposing an Alternative Critical Milestone Schedule does not guarantee that the Board will approve it or will refrain from modifying it.
3. A detailed description and copy of the proposed financial instrument(s) to be used to secure the Qualified Project’s commitments.

Critical Milestones for Tier 1 Investment Commitments

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

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

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

Critical Milestones for the COD Commitment

Project Critical Milestone 1: BOEM approval of the COP.

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

Alternative 1 (Projects not constructed in phases):

Project Critical Milestone 2: Achievement of the Qualified Project’s Commercial Operation Date (“COD”).

Alternative 2 (Projects constructed in phases):

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

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

Critical Milestones for the Re-Bid Commitment

Re-Bid Critical Milestone 1: Execution of a binding agreement with an OEM supplying the Project’s wind turbine generators.

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

Critical Milestone Notices

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

Board Staff shall have 45 days to review this written notice in order to verify the reasonableness of such representation(s) before providing its recommendation to the Board. The Board will issue a Board Order, within 90 days of Board Staff's review, allowing or disallowing the Commitment Security to be reduced as described below. Board Staff may request additional information from the Qualified Project about its filing, including additional documentation, access to company personnel, or other information. The Board Staff review period is renewed and automatically resets upon receipt of the requested documentation or clarification from the Qualified Project.

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

Financial Commitment

Posting of Commitment Security

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

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

Re-Bid Commitment Security: Re-Bid Projects are required to post additional Commitment Security in the amount of \$100,000,000 regardless of capacity awarded ("Re-Bid Commitment Security")

simultaneously with the Compliance Filing. The Re-Bid Commitment Security must be in the form of an irrevocable letter of credit from an investment grade third party financial guarantor, as described below.

Parent Company Guarantee and Letter(s) of Credit

The commitment securities may be in the form of: (i) one or more parent company guarantees as detailed in Attachment 13, if the parent is investment grade (defined as having one or more credit rating of BBB or above from Standard and Poor's, BBB or above from Fitch, or Baa3 or above from Moody's); (ii) one or more irrevocable letters of credit in the form detailed in Attachment 13 from an investment-grade third-party financial guarantor (defined as an institution with a rating of BBB or above from Standard and Poor's, BBB or above from Fitch, or Baa3 or above from Moody's); and/or (iii) upon Petition 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.⁶²

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

At the time of Application submission, each Applicant shall identify the form(s) of commitment security it intends to use to satisfy its obligations. If an Applicant chooses to use one or more parent company guarantees, **or any other method that has a parent provide security, the Applicant shall disclose the parent or parents that will agree to execute said guarantees.**

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

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

Treatment of Commitment Security

The total and original amount of the commitment securities obligation for each of the three (3) applicable Critical Milestone categories above may be reduced, if approved by the Board as described above, by 20 percentage points for achieving Critical Milestone 1, and by 20 percentage points for achieving Critical Milestone 2 if there are three Critical Milestones for the category. Upon achievement

⁶² 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.

of the final Critical Milestone for that category, the commitment security shall be closed if all prior Critical Milestones in that category have also been achieved.

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

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

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

Re-Bid Commitment Security – If Re-Bid Critical Milestone 1 is achieved on or before the date specified, the obligation shall be reduced by \$20,000,000, as noted in Attachment 13. If a Qualified Project misses a Re-Bid Critical Milestone, the Qualified Project shall forfeit 25% of the total Re-Bid Commitment Security. If a Qualified Project misses the last Re-Bid Critical Milestone, achievement of the Qualified Project’s COD, or announces earlier termination or cancellation of the Qualified Project, the remaining Re-Bid Commitment Security, that is, the amount that has not been previously returned or forfeited, shall be forfeited.

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

3 MATERIALS REQUIRED FROM APPLICANTS

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

There are two (2) primary components to the Application: (i) the Application Narrative and (ii) the Application Form. The Application Narrative must be a single, standalone document with “Application

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

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

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 may either be consolidated into a single searchable PDF file with numbered pages, with “Attachments to Section [#]” in the file name (unless specifically required to be provided in a different format such as Excel), or submitted as individual attachments, with “Attachment [#]” 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.⁶³

Each Applicant must submit a single, completed Applicant Commitment Form (Attachment 3 herein) as part of the Application, with “Applicant Commitment Form” in the file name. By signing the Applicant Commitment Form, the Applicant’s authorized officer acknowledges and agrees that the Applicant will comply with all commitments made in the Applicant Commitment Form that will be conditions of the

⁶³ See Attachment 5 herein.

Board Decision. The Applicant Commitment Form also contains an acknowledgement that the Board may share confidential information the Applicant provides with other New Jersey agencies, PJM, and federal agencies with jurisdiction over the interconnection and permitting of the Project. No exceptions to the Applicant Commitment Form will be permitted.

3.1 Applicant Information

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

- A demonstration of the Applicant's applicable experience in projects of similar size and scope to the proposed Project(s) (N.J.A.C. 14:8-6.5(a)(2), N.J.A.C. 14:8-6.5(a)(2)(i)(1));⁶⁴
- 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));⁶⁵
- 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)). Other actions include, but are not limited to, litigation, disputes, failure to satisfy contract obligations, or failure to deliver products, involving Applicant or a parent company of Applicant, and relating to the purchase or sale of energy, capacity, or Renewable Energy Certificates. This disclosure can be limited to actions occurring in the United States. This requirement can be satisfied by submittal of Annual Reports and/or consolidated financial statements of parent companies, which may disclose certain of such information, together with a statement from the Applicant, and supporting documentation where appropriate, regarding any required disclosures with respect to the Applicant, its direct parent company(ies), direct affiliates, direct subsidiaries, and the Project's identified key employees.

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

- For any Re-Bid Project, the Applicant must provide the justification for re-submitting the original Qualified Project as a new Project for consideration as a Qualified Project to be awarded in this Fourth Solicitation.

⁶⁴ The demonstration of experience should include, at a minimum, each similar project's name, as well as such project's planned or actual COD, development status, project size, turbine type(s) and size, project location, explanation of the Applicant's role in the project, and any other relevant project characteristics. Applicants are free to provide additional information deemed relevant to demonstrate experience.

⁶⁵ 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.

- For Re-Bid Projects that contain any proposed or contingent sales as part of such Project, the Applicant must provide detailed information on the terms of sale, including dollar amounts and names of all applicable parties involved in such sale. As part of its Application, the Applicant should provide the same information that the Application requires for the proposed or contingent Project owners and investors as the Application requires for current owners and investors.

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

- Two (2) years of audited financial statements, including accompanying financial notes to these statements, of the Applicant and parent company(ies), 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 its parent company(ies) and has provided professional qualifications that demonstrate that expertise (N.J.A.C. 14:8-6.5(a)(3)(vi)). Web-based links can be provided to financial statements, provided that the links are to specific documents (rather than a link to an investor information page, for example) and the linked files are searchable PDFs.

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)). This includes, but is not limited to, changing the corporate entity in which the personnel/resources or key employees reside. The Applicant must acknowledge this by signing the Applicant Commitment Form.

3.2 Project Descriptions

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

- A detailed description of the Project including maps, surveys, and other visual aids that support the detailed description of the Project (N.J.A.C. 14:8-6.5(a)(2));
 - The configuration of turbine array, location of cable and balance of system equipment (N.J.A.C. 14:8-6.5(a)(2));
 - 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));⁶⁶
- Indicate whether the Applicant plans to own or lease equipment (N.J.A.C. 14:8-6.5(a)(2)(i)(9));⁶⁷
- 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));⁶⁸
- The history, to date, of the same type, size and manufacturer of installed turbines and foundations globally (N.J.A.C. 14:8-6.5(a)(2));
- Demonstrate that the wind technology is viable, cost competitive and suitable for use in New Jersey's offshore environment under varying and expected meteorological and climate conditions (N.J.A.C. 14:8-6.5(a)(2)(i)(2));
- Include a description of the ability of the equipment to work in New Jersey's offshore and near shore climates and the basis for that conclusion (N.J.A.C. 14:8-6.5(a)(2)(i)(11)); and
- Describe construction plans in detail, identifying proposed subcontractors, with evidence of capability of performing necessary tasks, as well as proposed time frames for completion of all necessary tasks (N.J.A.C. 14:8-6.5(a)(2)(iii)).

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

- A summarized comparison of the Projects being submitted by the Applicant and their differentiating characteristics, including specification of which Projects are mutually exclusive and which, if any, could be awarded together;
- 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 identify equipment suppliers, to the extent that they have not yet been selected, including the status of supplier engagement for each component, identification of potential suppliers engaged to-date, and anticipated timing of supplier selection;
- The plan to procure the selected equipment, including key milestones, and status of the procurement process;

⁶⁶ Major types of equipment include all power cables (intra-array, offshore, and onshore) and converter stations.

⁶⁷ Equipment lease or purchase documents that are executed prior to Application submission should be included with the Application. If equipment lease or purchase documents are executed following Application submission, the Applicant should notify Board Staff promptly of this update. Board Staff reserves the right to request from Applicant and review any equipment lease or purchase documents upon any such document's execution. Applicant shall provide such documentation to Board Staff promptly upon request.

⁶⁸ When identifying the selected turbine the Project intends to use, please include the expected useful life associated with such turbines. If more than one size turbine will be used in a particular Project, please provide the useful life for each size turbine proposed to be used within that Project.

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

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

- A letter of intent or memorandum of understanding from the turbine manufacturer/supplier to supply the selected turbines (N.J.A.C. 14:8-6.5(a)(2)) if the supplier and/or backup supplier has been selected, or from potential suppliers if a supplier has not been selected;⁶⁹
- A demonstration of the financial strength of the selected turbine manufacturer/supplier (N.J.A.C. 14:8-6.5(a)(2)) if the supplier and/or backup supplier has been selected, or from potential suppliers if a specific supplier has not been selected;
- 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)) if the supplier and/or backup supplier has been selected, or from potential suppliers if the supplier has not been selected;
- 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)) if the supplier and/or backup supplier has been selected, or from potential suppliers if the supplier has not been selected;
- A letter of intent or memorandum of understanding from the proposed engineering, procurement, and construction (“EPC”) contractor, balance of plant (“BOP”) contractor, and/or

⁶⁹ If possible, the letter of intent or memorandum of understanding from the turbine manufacturer should state their ability to manufacture and deliver all components within the targeted schedule.

key construction contractors or vendors (N.J.A.C. 14:8-6.5(a)(2)) if the contractors have been selected, or from potential contractors if the contractors have not been identified;⁷⁰

- 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)). If specific suppliers and contractors have not been selected, financial statements should be provided for potential suppliers and contractors. Web-based links can be provided to financial statements, provided that the links are to specific documents (rather than a link to an investor information page, for example) and the linked files are searchable PDFs.

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

- The maps, surveys and other visual aids must also show plans for the location, general configuration, turbine spacing vis-à-vis one another, and orientation of the wind turbine array, and the locations of the export cable (generator lead line) route, offshore and onshore substation(s), converter station(s) (if applicable), cable landfall location, onshore transmission right-of-way, and POI(s);
- The distance in statute miles⁷¹ between the nearest turbine and the closest point on shore;
- For suppliers and contractors that have been selected, or for potential suppliers and contractors if suppliers and contractors have not been selected, a demonstration of the financial strength of the:
 - Foundation manufacturer/supplier,
 - Cable manufacturer/supplier,
 - EPC contractor,
 - BOP contractor, and
 - Other key construction contractors or vendors; and
- Disclosure of known existing or pending litigation among the wind turbine generator manufacturer, foundation manufacturer, cable manufacturer, and/or other major equipment manufacturer, if the suppliers have been selected, or for potential suppliers, that may impact Applicant's ability to achieve the COD set forth in Applicant's Application.

Subsequent to award, successful Applicants are permitted to replace or update the equipment identified in the Application with more technologically advanced equipment that is equal to or better than the

⁷⁰ 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.

⁷¹ 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>.

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));⁷²
- 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));⁷³
- 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));⁷⁴ 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)).⁷⁵

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):

⁷² This requirement is met by, at a minimum, providing the hourly generation profile in the Application. Additional narrative regarding generation coincidence is optional. 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>.

⁷³ 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, including continued operation after the OREC term. This value will be used informationally. The annual and hourly values for the OREC term provided in the Application Form are the basis for the evaluation.

⁷⁴ Provide a single value (for each Project) representing the level of generation that the Project is expected to provide over the expected useful life of the Project equipment, including continued operation after the OREC term. This value will be used informationally.

⁷⁵ Provide a single value (for each Project) representing the total amount of energy that is expected to be generated over the 20-year OREC term, and a single value (for each Project) representing the total amount of energy that the Project is expected to generate over the expected useful life of the turbines.

- For each proposed Project, an explanation of how the Annual OREC Allowance, as submitted in the Applicant’s Application Form, is derived from the expected annual delivered energy based on the wind resource and energy assessment;⁷⁶ 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));⁷⁷ 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;
- Any additional tax credits or other subsidies that Applicant may ultimately be eligible for to be credited to ratepayers in New Jersey; and
- A nominal levelized cost of energy (“LCOE”) over the 20-year contract term using a 7% nominal discount rate, a 2.5% inflation rate, and the Project’s average (“P50”) output, as reported in the Application Form.

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

⁷⁶ The wind resource and energy assessment should account for turbine downtime due to extreme weather events affecting the availability of all or a portion of the Project’s wind turbine generators.

⁷⁷ An internally-produced wind resource and energy assessment will also be sufficient to meet this requirement.

- An Excel file containing financial statements for the Project over the development, construction, operation, and decommissioning periods,⁷⁸ which must include:
 - Pro forma income statements (N.J.A.C. 14:8-6.5(a)(3)(i));
 - Balance sheets (N.J.A.C. 14:8-6.5(a)(3)(ii));
 - Cash flow projections for the proposed OREC period, including the internal rate of return, and a description and estimate of any State and/or Federal tax benefits that may be associated with the Project (N.J.A.C. 14:8-6.5(a)(3)(iii));⁷⁹ 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”);
- An explanation of how the estimated decommissioning costs were determined;
- The full cost accounting of the Project must specifically identify the material and installation costs for the generator lead line between the offshore substation(s) and the POI, estimated TSUC and any other material interconnection costs; and
- Re-Bid Projects must include and specifically identify and document to-date spending under the prior award.

3.5 Project Financing Plan

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

- The proposed method of financing the Project (N.J.A.C 14:8-6.5(a)(4));
- A detailed financial plan (N.J.A.C 14:8-6.5(a)(4)(iv)), including (i) all sources of internal development funds which may include the ultimate parent company or an intermediate company in the corporate structure; (ii) a description of the intended funding mechanism, e.g., utilizing cash from operations, issuing recourse and/or non-recourse debt, tax equity, and/or equity for all or a portion of the Project’s total expected capitalization; and, (iii) identification of expected or potential project financial sources and the related financing mechanism that may be

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

⁷⁹ Internal rate of return should be expressed on an after-tax basis.

used, including repayment schedules, conversion features, and anticipated milestones during project development affecting project financiers' security interests;

- 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)), including both committed and potential investors;
- A demonstrated ability to finance construction through market sources, which may include tax-exempt bond financing through the NJEDA (N.J.A.C. 14:8-6.5(a)(4)(iii));
- Names, functions, and fees of all financial and legal advisors (N.J.A.C. 14:8-6.5(a)(4)(iv)); and
- Specify if and under what conditions equity or other ownership interests in the Project can be transferred to other parties and considerations involved (N.J.A.C. 14:8-6.5(a)(4)(iv)), and considerations related to potential assignments and/or sale to other parties should also be addressed.

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):

- A corporate organization chart detailing the names of the Project company, its parents and affiliates involved in the development and/or financing of the project, and respective ownership interests or projected interests in the Project company regardless of target percentage ownership;
- Identification of all conversion rights of the Parent or affiliate to step-up or reduce ownership rights as well as identification of the conditional triggers which may warrant such conversion;
- Potential senior secured recourse and unsecured non-recourse debt lenders and the expected dollar amount from each;
- Potential mezzanine or subordinate debt lenders and the expected dollar amount from each;
- Potential equity investors and expected dollar amount to be invested from each;
- Potential tax equity financing or tax credit transfer and expected dollar amount from each tax equity source;
- Potential dollar amount of other equity financing, including contingent equity and expected dollar amount from each;
- A description of any contemplated or already-existing key agreement(s) related to the Project by, between, or among entities in the corporate organization chart, such as a Development Services Agreement, specifying (i) Project development rights and responsibilities, (ii) the Project's willingness to accept the terms and conditions set forth in the Board Order, and (iii) commitments to fund fully the development and construction of the Project;
- Identification of expected future investors in the Project in addition to those listed on the corporate organization chart; and
- Identification of the form(s) of commitment security that the Applicant intends to use to satisfy its obligations if selected as a Qualified Project, including, if applicable, disclosure of the parent or parents that will execute any parent company guarantees or any other method that has a parent provide security.

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));⁸⁰ 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)).⁸¹

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

- The projected value of Federal Investment Tax Credit and/or Production Tax Credit, Federal and State subsidies, grants, or other incentives that the Applicant expects to be eligible for, including but not limited to those available under the federal Inflation Reduction Act⁸² and Infrastructure Investment and Jobs Act,⁸³ and a proposed plan to secure and maximize eligibility for such tax credits, subsidies, grants, or other incentives including those related to meeting federal domestic content and labor requirements; and
- Identification of additional Project costs associated with qualifying for tax credits.

3.7 Project Revenue Plan & Strategy

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

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

⁸⁰ State grants, rebates, tax credits, and programs referenced here are not limited to New Jersey, and may include those from other states.

⁸¹ 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).

⁸² L. 117-169.

⁸³ L. 117-58.

- 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));⁸⁴
- Provide an estimate, with documented support, of the amount of electrical capacity the Project will make available consistent with PJM rules and procedures (N.J.A.C. 14:8-6.5(a)(2)(vi));
- The Project revenue plan must link the anticipated revenues to the Project time schedule (see Section 3.12) and costs for the entire Project's lifecycle term extending to the expected life of the turbines and eventual decommissioning (N.J.A.C. 14:8-6.5(a)(6)(ii)); and
- Specify financial expectations and marketing strategies for securing revenue from expected capacity-based payments in PJM markets, energy-based payments in PJM markets, Renewable Energy Certificate ("REC") revenue from Renewable Portfolio Standard ("RPS") or voluntary markets, and emission credits from various air emission reduction cap and trade programs (N.J.A.C. 14:8-6.5(a)(6)(iii)).

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

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

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

⁸⁴ Includes all expected revenues in the energy, capacity, and, if applicable, ancillary services markets, as well as any bilateral sales.

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

3.8 Economic Development Plan

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

Attachment 11 herein presents technical specifications and price guidance for parcels at the NJWP. New Jersey has also established the Wind Institute for Innovation and Training ("Wind Institute"), housed within the NJEDA, to accelerate the development of a robust and diverse offshore wind workforce, and to champion research and innovation that unlocks market potential. The Board values and encourages commitments to contribute funding to the Wind Institute. In 2023, NJEDA released a Request For Expressions of Interest to establish a Wind Innovation Center, which is expected to be announced in 2024.⁸⁵

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

Applicants must address expected economic development impacts on New Jersey communities, including any plans to use offshore wind infrastructure already planned or under construction in New Jersey, such as the NJWP or Port of Paulsboro.⁸⁶ Applicants must include any plans to use or develop alternative infrastructure located in New Jersey for supply chain facilities or operations and maintenance. Consistent with New Jersey's commitment to position the State as a regional offshore wind hub, the BPU strongly encourages use of the NJWP for Project marshalling and for Tier 1 manufacturing facilities, particularly for nacelle and tower manufacturing.⁸⁷

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

⁸⁵ See NJEDA, Request for Expressions of Interest for Wind Innovation Center, <https://www.njeda.gov/wp-content/uploads/2023/06/2023-RFEI-Wind-Innovation-Center.pdf>.

⁸⁶ See <https://nj.gov/windport/index.shtml> for information about the NJWP.

⁸⁷ Id.

describe plans to engage or integrate their efforts with the Wind Institute's efforts related to workforce development, education, research, and innovation.⁸⁸

Incremental Supply Chain Infrastructure

Applicants can further demonstrate commitment to in-State economic development by including incremental supply chain infrastructure as part of the proposed Project(s). Applicants are encouraged to source monopiles from EEW-AOS's monopile manufacturing facility in Paulsboro. The State values the opportunity for new Tier 1 facilities that are not contingent on additional awards in future solicitations (within New Jersey or in other states) for facility investment decision making, specifically for manufacturing or assembly of nacelles, followed by full-scale manufacturing of cables. The NJWP is under development and has space available for co-located manufacturing and marshalling facilities.⁸⁹ Analysis that was completed in 2023 on waterfront sites in New Jersey that are potentially suitable for offshore wind component manufacturing can be found on NJEDA's offshore wind page under Additional Resources.⁹⁰

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

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

For all supply chain facility commitments, the Applicant should describe how the Applicant would expand or strengthen the offshore wind supply chain in the State, including capital expenditure contributions, expected orders, and why the Applicant's commitment is an integral part of 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. Additionally, New Jersey encourages Applicants to develop facilities in New Jersey to support Project operations and maintenance over the OREC term and remaining Project life. Applicants are encouraged to make contributions for the establishment, expansion or strengthening of Tier 1 manufacturing facilities in New Jersey.

⁸⁸ See NJEDA, https://www.njeda.gov/wind_institute/ for information about the Wind Institute.

⁸⁹ See Attachment 11 herein.

⁹⁰ See NJEDA, <https://www.njeda.gov/offshorewind/> for information about potential sites.

Applicants that propose cost sharing with other developers who have Projects awarded in this Fourth Solicitation should describe the proposed mechanism and parameters for cost allocation and the associated potential impact on OREC Purchase Price. It is not necessary for Applicants to submit separate Projects initially that are only differentiated by cost-sharing ratio. Applicants should instead define how cost-sharing principles would be applied to each Project and the impacts on the OREC Purchase Price if different cost-sharing ratios are applied within a Project, including provision of an illustrative calculation example. If applicable, additional guidance regarding cost sharing parameters and cases will be provided in advance of or with the BAFO opportunity, with pricing for each potential cost-sharing ratio will be requested as part of the BAFO response.

Economic Impacts

Applicants must describe, in detail, the economic benefits and/or impacts to Environmental Justice and Overburdened Communities (“OBCs”), as defined in the Environmental Justice Law, N.J.S.A. 13:1D-157, throughout the planning, development, construction, and operations of the proposed Project(s).⁹¹ Such benefits and/or impacts 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 the identified benefits and mitigate any identified impacts. All Applicants are required to explicitly identify how they can design their investments to provide benefits to and reduce burdens on OBCs. If relevant, Applicants should describe any plans involving brownfield redevelopment, in particular in OBCs.⁹² Applicants are encouraged to engage with or otherwise support programs that have already been funded by the Wind Institute for Innovation and Training. Applicants are also encouraged to provide funding for or propose energy equity programs in New Jersey, oriented around reducing the ratepayer impact on energy-burdened households. The allocation to specific programs of any proposed funding for energy equity programs will be determined by the Board.

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

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

Applicants submitting a Project that is affiliated with a previously awarded Qualified Project, but that is not a Re-Bid Project, such as a Project using a new part of the same lease area as the lease area for such

⁹¹ See the NJDEP Office of Environmental Justice’s website at <https://www.nj.gov/dep/ej/> for more information about OBCs in New Jersey.

⁹² See NJEDA, <https://www.njeda.com/brownfield-redevelopment-incentive/> for information related to brownfield redevelopment incentives.

Qualified Project, must ensure that economic impacts associated with the prior Qualified Project are excluded from those associated with the proposed Project. This exclusion avoids double counting. Applicants proposing such a Project must include documentation affirming that the economic impacts associated with the prior Qualified Project are excluded. Incremental operations and the corresponding economic impacts that build on investments associated with existing infrastructure or a prior Qualified Project may be included, but should be identified as such.

Guarantees for Economic Impacts

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

If the in-State spending guarantees for the development and construction phases are not met, following an opportunity to cure the shortfall, at least 90% of any remaining shortfall must be applied to a reduction in the OREC price over the full OREC term.⁹³ The Applicant shall propose the disposition of the remaining 10% of the shortfall, subject to Board approval including specifically how the proposed spend on Tier 1 components manufactured in New Jersey will be achieved. The Applicant shall also propose consequences for shortfalls in guaranteed spending during the operations phase, subject to Board approval.

Applicants must also include guarantees for proposed in-State jobs by Project phase, stated on a total basis for the development phase and construction (including component manufacturing) phase, and on a total basis in five-year increments for the operation phase.⁹⁴ Applicants must propose workforce development remedies that will apply if the jobs guarantees are not met, subject to Board approval, to support job creation in New Jersey equal to or greater than the guaranteed values.

All values for guaranteed and expected economic impacts as entered in the Application Form should be provided for the period beginning at the start of procurement activities for the Project. Applicants submitting Re-Bid Projects may additionally include economic impact values associated with in-state spending that has occurred since the start of procurement activities for the original Qualified Project as selected in the First Solicitation or Second Solicitation. If procurement activities have already begun, the start date for tracking towards guarantees should be specified. If procurement activities have not begun,

⁹³ Calculation of the OREC price reduction equivalent in value to the guaranteed expenditure shortfall, if applicable, will be done on a present value basis using the projection of expected annual OREC revenues and an appropriate annual discount rate, which the Board will establish.

⁹⁴ Operations period guarantees are stated in five-year increments to reduce the administrative burden relative to an annual verification, and to allow for unpredictable variations in annual maintenance expenditures due to weather conditions and intermittently-required activities. The guaranteed annual spending and jobs values can vary across the five-year increments, for example, during and after the wind turbine generator vendor's warranty or service and maintenance agreement period.

the date on which they are expected to begin or the milestone that will represent the start date should be identified.

Land purchase and lease costs (including at ports and for right-of-way concessions) shall be included in guaranteed in-state spending, but shall be excluded from economic model input values for the purpose of determining indirect and induced economic impacts. This spending is includable as a direct economic impact, but shall not be counted toward indirect and induced economic impacts.

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

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

Application Requirements

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

- Detailed job creation information, including location, type of activity or occupation, and wages or salaries for employment activities to be created by the Project and assumed employment impacts within New Jersey, with job totals expressed as full-time equivalent positions assuming 1,820 hours per year (N.J.A.C. 14:8-6.5(a)(11)(vi); N.J.A.C. 14:8-6.5(a)(11)(xiii));⁹⁵
- 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 output⁹⁶ 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)).⁹⁷

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):

⁹⁵ Applicants are encouraged to be as specific as possible about the job types, including the occupational categories/applicable trades and average annual salaries, associated with each distinct Project. Information provided in this section of the Application Narrative must be consistent with the data provided in the Application Form.

⁹⁶ 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).

⁹⁷ Applicants may use any regional economic input-output model that measures New Jersey economic benefits. Suggested models include, but are not limited to: Rutgers R/ECON model, Regional Economic Models, Inc. (REMI) model, IMPLAN model, and the US Bureau of Economic Analysis RIMS II.

- Start of procurement activities for the Project that represents the beginning of tracking spending against guaranteed values, if in the future a milestone activity and estimated date can be provided instead of a specific date;
- Planned in-State spending to support planning and development, component manufacturing and equipment purchases, construction and installation, and O&M;
- For Re-Bid Projects, details regarding in-state spending that has occurred since the selection of the Project or another Project located in the same footprint as a Qualified Project;
- Method for calculating and tracking in-State spending with respect to guaranteed values;
- Method for calculating and tracking in-State jobs with respect to guaranteed values;
- 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, including an estimated date when each investment or program will begin, with a focus on:
 - Workforce development,
 - Investments in innovation,
 - Investments in existing and/or planned infrastructure and/or Tier 1 commitments,
 - Use of the marshalling and/or manufacturing facilities at the NJWP,⁹⁸ and
 - Development of alternative ports in New Jersey for manufacturing, and O&M activities;
- A description of how the Economic Development Plan, including supply chain and other arrangements, will promote effective competition and reduce risk in the offshore wind marketplace;
- 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;
- For each proposed manufacturing or port facility, provide the status of any arrangement or commitment to utilize the site and describe plans, or provide plans if they have already been prepared, to develop the site, including construction or rehabilitation of shoreline protection structures, wharf structures and other infrastructure improvements;
- If cost sharing with other developers awarded a Qualified Project in the Fourth Solicitation is proposed, describe the proposed mechanism and parameters for cost allocation, including the inclusion of any contingency or caveat affecting the use of such mechanism, and an illustrative calculation example addressing the impact of the cost sharing proposal on the OREC Purchase Price;
- For each proposed manufacturing or port facility, explain the status of any arrangement or commitment to utilize the site that reflects reasonable expectations on the part of the Applicant to receive financial support from the State of New Jersey and/or the Federal government, including under the Inflation Reduction Act or the New Jersey Offshore Wind Tax Credit;
- A detailed Local Supplier Engagement Plan that includes:
 - A description of the Applicant’s plan to engage with and provide opportunities in a timely manner to local suppliers and manufacturers, with an emphasis on New Jersey

⁹⁸ See additional information regarding the NJWP, supra note 87.

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 not-yet-awarded 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](#)),⁹⁹
- A description of the Applicant’s plan to advertise business opportunities to New Jersey SMWVBES including, at a minimum, notices for all bids for not-yet-awarded 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”),¹⁰⁰
- 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 not-yet-awarded contracts, regardless of the value of these contracts,
- Specific targets for contracts awarded to New Jersey firms as a percentage of total development, construction, and operations spending, either on an overall basis or differentiated by Project phase, and whether the Applicant will commit to making those targets public,
- Specific targets for contracts awarded to New Jersey SMWVBES as a percentage of total development, construction, and operations spending, either on an overall basis or differentiated by Project phase, and whether the Applicant will commit to making those targets public,
- A description of proposed plans to collaborate with State agencies and other public, non-profit, and private partners to support engagement with New Jersey businesses, including, but not limited to, organizing and participating in meet-the-buyer events, providing technical assistance, etc., and
- 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;¹⁰¹
- 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

⁹⁹ See NJEDA, [New Jersey Offshore Wind Supply Chain Registry](#), <https://a812898.fmphost.com/fmi/webd/OSWSupplyChain.fmp12?script=FindServices>.

¹⁰⁰ See New Jersey Department of the Treasury, Division of Revenue, [New Jersey Selective Assistance Vendor Information](#), https://www20.state.nj.us/TYTR_SAVI/vendorSearch.jsp.

¹⁰¹ “Domestic steel” is steel that is traceable to a U.S. steel mill where the melting of raw iron or steel takes place, regardless of the origin of the raw iron or steel. “Structural steel” is defined as components that are: load-bearing; necessary to create the structure of the installation; and are comprised of steel or iron. “Non-structural” steel includes components that are core to the function of producing electricity (*e.g.*, wind turbine nacelle and internal components, generator components, etc.). See IRS Notice 2023-8, Domestic Content Bonus Credit Guidance under Sections 45, 45Y, 48, and 48E, <https://www.irs.gov/pub/irs-drop/n-23-38.pdf>.

Jersey residents through engagement with Applicant's associated programs and any other relevant State programs,¹⁰²

- Collaboration with and support of the Wind Institute and its associated programs to ensure that Applicant provides a coordinated portfolio of workforce development programs that meet industry needs,
- Identification of potential job opportunities for residents of OBCs and any associated diversity and inclusion initiatives,
- Specific targets for hiring New Jersey residents and residents of OBCs, either on an overall basis or differentiated by Project phase, and whether the Applicant will commit to making those targets public,
- Applicants are encouraged, but not required, to also set specific targets for hiring members of other specialized populations, such as incumbent workers from the non-renewable energy sector, veterans, or justice-involved individuals, either on an overall basis or differentiated by Project phase,
- A description of the Applicant's plan to use unionized labor, including identification of specific unions, if available, for construction and for O&M, including considerations related to prevailing wages, project labor agreements, labor harmony agreements, union neutrality agreements, provisions for workplace disputes, jurisdictional disputes and other best practices to prevent Project disruption, and participation in community benefit agreements that include commitments to local hiring and skills training for local residents, including those in OBCs,
- Identification of occupations with the highest, moderate, and limited expected opportunities for New Jersey residents, including rationale for determination and core skills required, and strategies to increase opportunities for occupations identified as having limited opportunities for New Jersey residents, and
- A description of the Applicant's approach to engage with stakeholders in a timely manner to prepare a well-trained and available local workforce through the development of new and/or utilization of existing training, education, and/or outreach programs and ensure that stakeholders are aware of industry-specific certifications and expectations in order to enable their effective participation in such programs; and
- A description of the Applicant's approach to fostering innovation in the offshore wind industry, including but not limited to, open market opportunities for existing and start-up companies in New Jersey, opportunities to utilize or support existing initiatives at the Wind Innovation Center, opportunities to attract additional investment for an offshore wind innovation hub in the State, any plans by the Applicant to enhance the use of offshore wind through energy storage, green hydrogen technologies, and plans to engage with the Wind Institute as part of these efforts and opportunities.

¹⁰² Applicants are encouraged to consult the following reports as part of the development of their workforce development plan: NJEDA, [New Jersey Offshore Wind Workforce Assessment through 2035](https://www.njeda.com/wp-content/uploads/2022/09/2022-NewJersey-OSW-Workforce-Assessment-Report.pdf), <https://www.njeda.com/wp-content/uploads/2022/09/2022-NewJersey-OSW-Workforce-Assessment-Report.pdf>; and New Jersey Council on the Green Economy, [Green Jobs for a Sustainable Future](https://www.nj.gov/governor/climateaction/council/greenreport/), <https://www.nj.gov/governor/climateaction/council/greenreport/>.

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)).¹⁰³

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

3.9 Stakeholder Engagement

Section 9 of the Application Narrative must include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16).¹⁰⁴

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

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.

¹⁰³ Applicants can also submit non-binding commitments, such as letters of intent or memoranda of understanding. If non-binding documents are submitted, the Applicant should provide a timetable for finalization.

¹⁰⁴ 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.

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 delivered capacity. NJDEP and BPU have established the Research and Monitoring Initiative ("RMI") to administer the fee ("RMI Fee").¹⁰⁵ Re-Bid Projects that have already contributed to the RMI Fee can count those prior contributions toward the commitment for the new Project, if awarded as a Qualified Project.

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

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

1. An Environmental Protection Plan ("EPP"), as further described below. The EPP is intended to describe how an Applicant intends to avoid adverse impact to biota and habitats. If impacts cannot be avoided, the EPP shall describe how the impact can be minimized, and, if necessary, mitigated. The EPP must also include an explanation of how the Applicant will implement the environmental protection measures that are described in Attachment 6 herein to address the identified environmental impacts. If any of the required environmental protection measures cannot be implemented or are not applicable to the Applicant's Project, the EPP must explain why.
2. A Data Management and Availability Plan, described in Attachment 7 herein. The Data Management and Availability Plan must also cover data collected as part of the Fisheries Protection Plan described in Section 3.11.
3. An Offshore Wind Infrastructure Monitoring Plan for the use of offshore wind infrastructure including turbine arrays, foundations, and substations as environmental and ecological monitoring platforms that can contribute to relevant regional monitoring, observing, and

¹⁰⁵ Information regarding the RMI can be found on the RMI website, <https://dep.nj.gov/offshorewind/rmi/>.

research efforts. The elements of the Offshore Wind Infrastructure Monitoring Plan are described in Attachment 8 herein.

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

- Analysis of the anticipated environmental benefits and environmental impacts of the Project (N.J.A.C. 14:8-6.5(a)(11)(xiv));
- A scientifically rigorous description of all associated environmental impacts from pre-construction activities through decommissioning including, but not limited to, environmental, water use, water quality, avian, marine mammals, sea turtle, noise, aesthetics, tourism, navigation, endangered species, sea-bed disruption of marine life, morbidity or mortality among avian, mammal or benthic populations, emissions of combustion byproducts to the air or oil or other toxic releases to the ocean, or solid waste generation (N.J.A.C. 14:8-6.5(a)(11)(xiv)(1));
- The anticipated CO₂ emissions impact of the Project (N.J.A.C. 14:8-6.5(a)(8));¹⁰⁶
- 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));¹⁰⁷
- Provide an assessment of environmental impacts from the Project compared to other similar Class I renewable energy projects (N.J.A.C. 14:8-6.5(a)(11)(xiv)(4));
- Environmental impacts (direct and comparative) must be quantified to the extent that they are significant and it is possible to quantify them (N.J.A.C. 14:8-6.5(a)(11)(xiv)(5)); and
- The comparative environmental impacts shall be monetized, to the extent possible, for evaluation as part of the overall cost-benefit analysis (see Section 3.17) (N.J.A.C. 14:8-6.5(a)(11)(xiv)(6)).

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

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

¹⁰⁶ Must be consistent with data provided in the Application Form.

¹⁰⁷ The “direct emissions” referred to in this requirement are the “Scope 1” emissions as defined in the U.S. EPA’s Scope 1 and Scope 2 Inventory Guidance. (See <https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance>.) Scope 1 emissions are emissions that occur from sources that are controlled or owned by an organization, including vehicles, vessels and equipment deployed in the development, construction, operation, and decommissioning of the Project. Scope 2 emissions are indirect emissions associated with upstream activities, as defined in the EPA’s Inventory Guidance. For purposes of the Application, Scope 2 emissions are emissions from fossil generation that are avoided by the operation of the Project over the OREC term. Scope 1 and Scope 2 emissions must include CO₂, SO₂, NO_x and PM_{2.5}. Scope 1 and Scope 2 emissions provided in the Application Narrative must be consistent with the emissions impacts reported in the Application Form.

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,¹⁰⁸

- A description of the baseline and monitoring data that the Applicant intends to collect from pre-construction through decommissioning regarding the spatial and temporal presence of marine mammals, sea turtles, and avian species;
- A description of how the Applicant plans to make the baseline and monitoring data available to NJDEP and other designated parties consistent with the Data Management and Availability Plan requirements in Attachment 7 herein;
- A description of any commitments to fund research related to the assessment and avoidance of environmental impacts, including impacts to marine wildlife, in addition to the required fee described in the introduction to this section;
- A description of the considerations related to identifying the cumulative impacts of New Jersey's offshore wind development plans as well as interactive impacts with offshore wind development plans in neighboring states;
- A description of how the Applicant will identify (or has identified) environmental stakeholders, any outreach that has occurred to date, and how the Applicant proposes to communicate with those stakeholders during pre-construction activities through decommissioning, as well as a plan for transparent reporting of how stakeholders' concerns were addressed;
- A description of lighting controls for the Project, consistent with the requirements in Attachment 6 herein;
- A description of the expected impact of noise during the development, construction, operation and decommissioning of the Project, on marine life and on onshore communities;
- A description of how onshore elements of the Project will be compatible with surrounding land use and communities, and will safeguard environmentally and culturally sensitive areas;
- A description of the potential impact of the Project on OBCs, as defined in New Jersey's Environmental Justice Law N.J.S.A.13:1D-157;
- 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;¹⁰⁹

¹⁰⁸ 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/>.

¹⁰⁹ If awarded, a Qualified Project shall implement a community engagement plan specific to the impacted OBC and appropriate control measures approved by NJDEP.

- 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;
- A description of any measures that will be taken to minimize the use of any materials or Project components that contain per- and polyfluoroalkyl substances (“PFAS”);
- A description of any proposed resilience, sustainability, or green building certifications or rating systems that the Applicant will be pursuing for any buildings that will be utilized by the Project; and
- A description of how the Applicant plans to avoid, minimize, and/or mitigate any releases of oil, particulate matter, or hazardous materials that may arise during the development, construction, operation, or decommissioning of the Project.

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

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

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

3.11 Fisheries Protection Plan

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

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

- A scientifically rigorous description of the marine resources that exist in the Project area, including biota and commercial and recreational fisheries, which is informed by published studies, fisheries-dependent data, fisheries-independent data, and, where feasible, fishing communities’ shared ecological knowledge, and identifies species of concern and potentially impacted fisheries;

- Maps that identify the locations of sensitive marine and coastal terrestrial habitats and fisheries that are within or in the vicinity of the Project footprint, including but not limited to: Special Areas as defined by N.J. Admin. Code Chapter 7 - Coastal Zone Management Rules, Subchapter 9 (including shellfish habitat, surfclam areas, prime fishing areas, finfish migratory pathways, submerged aquatic vegetation, shipwreck and artificial reef habitats, and endangered or threatened wildlife or plant species habitats), Habitat Areas of Particular Concern, Essential Fish Habitat, commercial fisheries management areas and reserves, and estuary reserves;¹¹⁰
- 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 3.10;
- An explanation of how the Applicant will provide reasonable accommodations to commercial and recreational fishing for efficient and safe access to fishing grounds;
- A description of how the Applicant will identify (or has identified) commercial and recreational fisheries stakeholders, any outreach that has occurred to date, and how the Applicant plans to engage with those stakeholders during pre-construction activities through decommissioning, as well as a plan for transparent reporting of how stakeholder concerns were addressed; and
- A description of the Applicant's plan for addressing loss of or damage to fishing gear or vessels from interactions with offshore wind structures, array or export cables, survey activities, concrete mattresses, or other Project-related infrastructure or equipment.

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

3.12 Project Timeline

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

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

¹¹⁰ Applicants should obtain New Jersey-specific data sets from NJDEP GIS Open Data, <https://gisdata-njdep.opendata.arcgis.com/>.

- Indicate the equipment’s delivery time once an order has been placed (N.J.A.C. 14:8-6.5(a)(2)(i)(12));¹¹¹ and
- Specify the expected time requirements in the aggregate from start to finish as well as the time required to accomplish each specific activity related to Project design, resource monitoring, impact studies, permitting, construction and decommissioning activities, with associated milestones delineated for each category of activity (N.J.A.C. 14:8-6.5(a)(13)).

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

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

3.13 Interconnection Plan

As a consequence of the SAA Order, 1,148 MW of SAA Capability is available at Smithburg, which can be accessed through the LCS. The design of the Prebuild, which will develop infrastructure to allow four projects to interconnect at the LCS, allows for up to 1,500 MW on a fourth, unallocated conduit. Three of the four Prebuild corridors have been designated for the awardees in the Third Solicitation. The LCS and Prebuild will be sufficiently sized to accommodate a fourth 1,500 MW circuit at either 525kV or 320kV, and there is land available at the LCS to site the HVDC converter station for the Project using the fourth Prebuild circuit. However, no transmission equipment is included under SAA beyond what has already been awarded in the SAA Order. Transmission equipment that is required to interconnect a Project proposed in this Fourth Solicitation, including the power lines and switchyard to enable a Project using the fourth Prebuild circuit to access the SAA Capability at Smithburg from the LCS, is the responsibility of the Applicant and must be reflected in the Application and submitted pricing. The interconnection request to PJM must be consistent with the Project’s delivered capacity.

Each Application submitted in this Fourth Solicitation may include one or more Projects that correspond to either or both of the following options:

- A Project that does not utilize the Prebuild and interconnects at one or more POIs other than the LCS. This Project may use HVAC or HVDC transmission. This Project may be uniquely sized. The TSUC sharing mechanism, discussed below and subject to Board approval, will be used to account for the associated incremental TSUC allocable to New Jersey ratepayers. Applicants shall not consider SAA Capability for this Project and are not permitted to submit Projects that use Smithburg as a POI but do not use the Prebuild and LCS; and/or
- A Project, with an HVDC export cable that lands at the Sea Girt NGTC and utilizes the fourth conduit of the Prebuild to interconnect at the LCS. This Project will be assigned the remaining SAA Capability, in the amount of 1,148 MW of energy and 327 MW of capacity, at Smithburg. This Project may be uniquely sized; it may be submitted with a size equal to or beyond 1,148 MW of energy and 327 MW of capacity. Such Project will connect at the LCS and utilize SAA Capability currently reserved at Smithburg, and therefore, will be responsible for any additional TSUC required to maintain reliability for connection at the LCS. The TSUC sharing mechanism discussed below will be used to account for the associated TSUC. Projects using the Prebuild

¹¹¹ Include this information for wind turbines, foundations, undersea cables, and all other key Project components.

must submit two OREC Purchase Prices, including all required supporting data for each price option: (i) one price that includes the cofferdam (as needed) and shoreline HDD as part of the Project, in the event that the Onshore Only Scope is selected for the Prebuild, and (ii) one price if the cofferdam (as needed) and shoreline HDD are not included in the Project, in the event that the Full Scope, is selected for the Prebuild. If the Onshore Only Scope is selected for the Prebuild, the Applicant will be expected to coordinate the construction of the HDD for the Project with the developers of the other Qualified Projects that will utilize the Prebuild.

Applicants submitting Re-Bid Projects may maintain the POI associated with the prior Qualified Project and/or submit a new POI.

Applicants are encouraged to review the FERC-approved PJM Rate Schedule 49 § 4.3 and § 6.2 (“SAA Agreement”)¹¹² for details on the PJM interconnection study process for offshore wind generators selected by the Board to utilize SAA Capability for capacity connecting to the LCS via the Prebuild Infrastructure.

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

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

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

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

$$BSTSUC = TSUC - SSTSUC$$

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

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

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

where:

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

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

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

ROR = Rate of Return

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

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

TSUC = Transmission System Upgrade Cost (Nominal \$)

¹¹² PJM Rate Schedule 49, approved by FERC in 179 FERC ¶ 61,024 (2021).

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, including supporting information for these values to enable Board Staff to evaluate their reasonableness.¹¹³ The Applicant-provided estimates of the P50 and P90 values will contribute to Board Staff's derivation of a risk-adjusted estimate of TSUC to be used in the price evaluation.¹¹⁴ The final value of the TSUCPA will be calculated using the defined parameters after the final TSUC value is determined by PJM.

Projects using HVDC transmission have the option to include design components to allow for potential future development of and connection to an offshore transmission network ("OTN") as specified in Attachment 10 herein. The Board recognizes that the design to accommodate the future connection to an OTN is inherently uncertain due to evolving technical specifications, supply chain and vessel limitations, among other technical challenges. Applicants must submit Projects without the design components to allow for future connection to an OTN. Projects using HVAC transmission shall not include design components to allow for future connection to an OTN. The inclusion or exclusion of OTN readiness from a Project will be viewed neutrally in its evaluation, except to the extent that the Applicant demonstrates a benefit to ratepayers.

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

- A plan for interconnection, including engineering specifications and costs (N.J.A.C. 14:8-6.5(a)(14)) and how the project intends to utilize the SAA Capability (if applicable);
- A description of the point(s) of interconnection the Project intends to use (N.J.A.C. 14:8-6.5(a)(2));

¹¹³ TSUC are associated with the onshore transmission owner upgrades necessitated by the Project's interconnection request. They do not include the offshore substation and all associated facilities up to the transmission owner's POI. The PJM documents do not provide definitions for P50 and P90 as they relate to the cost for transmission system upgrades. However, the costs that PJM develops as part of their interconnection studies are generally considered to be P50 estimates. The requested P90 TSUC estimate represents a conservative (high) or worst 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 to arrive at the P90 estimate.

¹¹⁴ Board Staff will also rely on other available information where needed to derive the risk-adjusted TSUC value for use in the price evaluation.

- Applicants shall show that they are currently in the PJM queue or that the Project is PJM queue eligible (N.J.A.C. 14:8-6.5(a)(10)(ii)), and when the Project would expect to be eligible to receive an interconnection agreement;
- Document tasks required and discuss issues associated with electrical interconnection, including the distance between the Project and the specified point to interconnect with the electrical grid (N.J.A.C. 14:8-6.5(a)(14)(i));
- Land acquisition requirements, new equipment to be installed, upgrades to existing equipment required, and any feasibility studies required and the timeframe for review must be identified (N.J.A.C. 14:8-6.5(a)(14)(ii));
- A detailed description of how the Project will address and mitigate load constraints in the electrical distribution and PJM transmission system for each point of interconnection (N.J.A.C. 14:8-6.5(a)(14)(iii));¹¹⁵
- Demonstrate to the greatest extent possible how the Project will address current or potential future load pocket or constraint problems with the electric distribution system and the PJM transmission system (N.J.A.C. 14:8-6.5(a)(14)(iv));¹¹⁶
- Indicate the location of transmission lines and all points of interconnection to the PJM system serving New Jersey (N.J.A.C. 14:8-6.5(a)(14)(v)); and
- Indicate the location of transmission lines and all points of interconnection to the PJM system serving New Jersey (N.J.A.C. 14:8-6.5(a)(14)(v)).

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

- If applicable, for Applicants proposing Capacity Interconnection Rights (“CIRs”) at the LCS beyond those accommodated by SAA Capability, please explain the expected CIR level, anticipated capacity accreditation value, benefit of increased capacity the Project plans to utilize, and how this capacity value relates to the energy production profile of the Project;
- If applicable, provisions for reactive compensation and harmonic filtering at the HVDC converter stations at the LCS, including any reactive power issues as necessary associated with the fourth PBI circuit;
- For Projects not connecting at the LCS, please explain the expected CIR level, anticipated capacity accreditation value, benefit of increased capacity the Project plans to utilize, and how this capacity value relates to the energy production profile of the Project;
- Supporting documentation and any other engineering justification for the P50 and P90 estimates of the TSUC reported in the Application Form;
- Any draft or final interconnection studies conducted by PJM, or by a study conducted by a third party, including, but not limited to, the Feasibility Study, System Impact Study, and Facility Study relating to the proposed Project;¹¹⁷ and

¹¹⁵ This requirement can be met by providing a description of the upgrades that are expected to be encompassed within the TSUC.

¹¹⁶ This requirement can be met by providing a description of the upgrades that are expected to be encompassed within the TSUC.

¹¹⁷ Any Critical Energy Infrastructure Information (“CEII”) may be filed subject to the confidentiality claims discussed in Section 2.5.

- If applicable, OTN preparation requirements as listed in Attachment 10.

3.14 Permitting Plan

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

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

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

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

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

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

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

3.15 O&M Plan

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

- An O&M plan for the 20-year contract term for each phase of the Project (N.J.A.C. 14:8-6.5(a)(7));
- Detail routine, intermittent, and emergency protocols (N.J.A.C. 14:8-6.5(a)(7)(i));
- Demonstrate that the Applicant has the financial capacity and technical expertise to perform all necessary upkeep/maintenance over the life of the Project (N.J.A.C. 14:8-6.5(a)(7)(ii));
- 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));¹¹⁸
- Describe the emergency shut down provisions in the event of a need for the immediate stoppage of turbine blades (N.J.A.C. 14:8-6.5(a)(7)(iv));
- Identify specific and concrete elements to ensure both construction and operational cost controls (N.J.A.C. 14:8-6.5(a)(7)(v));
- Provide proof of insurance typical of the industry (N.J.A.C. 14:8-6.5(a)(7)(vi));
- Identify the projected plan for the subsequent operational term, assuming any necessary Federal lease agreements are maintained and renewed (N.J.A.C. 14:8-6.5(a)(7)(vii)); and
- Provide a complete O&M plan for the life of the plant (N.J.A.C. 14:8-6.5(a)(7)(viii)).

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

- If the Applicant has selected an O&M contractor, identify the contractor and demonstrate that it has the financial capacity and technical expertise to perform all necessary upkeep/maintenance over the life of the Project;
- Identification of the port(s) that will be used to support O&M of the Project and the activities that will be conducted at each port;
- Describe how the built infrastructure will be made resilient to expected future impacts of climate change;

¹¹⁸ Climatic risks should also be included in the identification of risks.

- Address the potential for cable exposure over the lifetime of the project and provide plans for reburial if necessary;
- Address the length of equipment downtime and timing of repair and replacement for the mitigation measures associated with potential risks, including, but not limited to, hurricanes, lightning, fog, rogue wave occurrences, and exposed cabling;
- A detailed description of the vessels that will be used for the O&M of the Project, including how Jones Act compliance will be addressed for each vessel and/or vessel class, plans for obtaining such vessels, and status and timing of availability of the vessels planned for usage;
- A detailed description of the types of condition monitoring technology the Applicant is going to use and the assigned probability of failures relating to certain potential risks;
- A detailed description of the regular foundation monitoring measures to be employed that will produce reliable data regarding foundation integrity and degradation, both during and beyond the 20-year OREC period, as well as potential foundation strengthening and retrofit measures to be taken; and
- A description of any non-standard insurance product that the Applicant may seek with respect to the Project.

3.16 Decommissioning Plan

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

- 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));¹¹⁹
- Estimate an expected useful economic life for the technology and installation area proposed (N.J.A.C. 14:8-6.5(a)(9)(i));
- Specify a Project decommissioning plan for the technology and installation area proposed (N.J.A.C. 14:8-6.5(a)(9)(i));
- Include the anticipated cost of decommissioning the Project based on applicable and/or anticipated regulatory and engineering requirements (N.J.A.C. 14:8-6.5(a)(9)(ii)); and
- Provide for the necessary future funding. Segregated decommissioning funds shall be required (N.J.A.C. 14:8-6.5(a)(9)(ii)).

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

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

3.17 Cost-Benefit Analysis

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

¹¹⁹ Decommissioning plan should also address the Project's transmission cables.

- 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 (N.J.A.C. 14:8-6.5(a)(11)(ii)), consistent with the Project’s financial analysis (see Section 3.4), revenue plan (see Section 3.7) and values submitted in the Application Form;¹²⁰
- Direct, indirect and induced effects (N.J.A.C. 14:8-6.5(a)(11)(ix)) of the Economic Development Plan described in Section 3.8;
- Environmental net benefits with explicit listing of foundations, assumptions and conditions (N.J.A.C. 14:8-6.5(a)(11)(iii)), quantified and monetized as described in Section 3.10;
- Information on any State grants or other subsidies from the NJEDA or other agencies associated with the Project and include the subsidy as part of the Project cost-benefit analysis (N.J.A.C. 14:8-6.5(a)(11)(viii)); and
- An analysis of the potential positive and negative impacts on residential and industrial ratepayers of electricity rates over the life of the Project that may be caused by OREC requests (N.J.A.C. 14:8-6.5(a)(11)(xv)).

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

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

3.18 Application Form

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

- Full business information, including the Applicant’s name, primary contact person, website, telephone numbers, e-mail address and street address (N.J.A.C. 14:8-6.5(a)(1));
- Proposed nameplate capacity for the entire Project (N.J.A.C. 14:8-6.5(a)(2)(v); N.J.A.C. 14:8-6.5(a)(6)(iv); N.J.A.C. 14:8-6.5(a)(12)(viii)(5));¹²¹
- 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));¹²²
- 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));¹²³

¹²⁰ Ratepayer net costs must not include the value of potential decreases in market prices attributable to the Project.

¹²¹ 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.

¹²² Calculated automatically based on expected generation profile as a fraction of installed capacity by month and hour of day.

¹²³ 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.

- Net yearly energy output for the Project, accounting for losses (N.J.A.C. 14:8-6.5(a)(2)(v));¹²⁴
- 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));¹²⁵
- 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));¹²⁶ 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)).¹²⁷

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

- Electric generation facility name;
- BOEM lease area;
- Project name;
- Secondary contact person and such person's contact information;
- Number of capacity installation phases;
- Wind turbine generator nameplate capacity and COD for each capacity installation phase;¹²⁸
- Start and end years for each Project phase;
- Annual OREC Allowance, consistent with the estimated energy output;
- 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);¹²⁹
- Parameters to determine Buyer's share of PJM's final TSUC;

¹²⁴ Net yearly energy output should reflect the projected electrical output, and also be net of operational efficiency and degradation effects. The Application Form calculates output automatically based on expected generation and delivered energy as a fraction of expected generation by month and calendar year.

¹²⁵ The all-in OREC Purchase Price must be entered for each Energy Year of the 20-year contract period in nominal \$/OREC, levelized for 20 years or escalated at a fixed rate not exceeding 3%. The same OREC Purchase Price for an Energy Year will apply to all ORECs generated within that Energy Year regardless of the capacity phase with which the OREC is associated.

¹²⁶ The Application Form requires a monthly forecast of energy prices and an annual forecast of capacity prices.

¹²⁷ 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)).

¹²⁸ Each Project phase will have a distinct 20-year term beginning on the phase's COD.

¹²⁹ Calculated automatically based on expected generation and delivered energy as a fraction of expected generation by month and calendar year.

- 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;
- Bill-of-Goods for each Project phase (development, construction, first ten years of operation, and second ten years of operation) with at least two line-items and two unique NAICS codes in each section, reflecting only guaranteed direct in-state spending and jobs resulting from the Applicant's Project that are consistent with the guarantees provided on the Economic Benefits worksheet for the Project, including:¹³⁰
 - Component and subcomponent for each line item, with labels that are concise and clear,¹³¹
 - Valid 6-digit 2022 NAICS code for each line item, including those for workforce, community, and environmental and fisheries spending,¹³²
 - In-state cost, in-state labor time (if applicable), and in-state labor cost (if applicable) for each line item, with monetary direct expenditure values expressed in undiscounted millions of real 2024 dollars,¹³³ and
 - Percentage share of costs and labor by calendar year for each line item;
- Expected annual direct in-State jobs creation (in FTE-years), 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;

¹³⁰ More rows, if needed, may be added in each phase's bill-of-goods items.

¹³¹ Component labels may include an ID prefix for each new or expanded infrastructure or supply chain facility. Sub component items may be repeated when reporting the amount assigned to different NAICS industries. The Component, Sub Component, and NAICS labels should uniquely define each row of each table.

¹³² Applicant must retrieve codes from the BLS at:

https://data.bls.gov/cew/apps/bls_naics/v3/bls_naics_app.htm#tab=hierarchy&naics=2022&hier=default. All NAICS codes must be valid 6-digit codes. For example, 1013 (Manufacturing) is not a valid 6-digit code, so entering this code as 101300 would be invalid; instead, a complete 6-digit code, such as 335311 (Power, Distribution, and Specialty Transformer Manufacturing) must be entered.

¹³³ In-State labor time must be provided in FTE-years, where an FTE-year is the amount of time one full-time equivalent worker would spend working during one (1) calendar year, conforming to the Board's definition of 1,820 work hours per FTE-year.

- Guaranteed minimum total in-State direct jobs creation (in FTE-years), and total in-State expenditures by phase (total values for the development and construction phases, total values for each five-year period within the operations phase);¹³⁴
- 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; and
- Summary of economic impacts.

The following guidance should additionally be considered when filling out the Bills-of-Goods worksheet:

- Applicant must treat the spending and jobs associated with capital contributions to the development and construction or expansion of Tier 1 facilities as direct spending and include this spending on the Bills-of-Goods worksheet, regardless of whether the Applicant intends to make purchases from the Tier 1 facility for its Project. If the Applicant is not funding the full cost of the development and construction or expansion of a Tier 1 facility, then only the partial amount that it will contribute can be entered for the in-state cost, and only its pro-rata (share of total cost) of direct labor time and direct labor cost can be entered. The Applicant must separately identify any and all line items related to the development and construction or expansion of each Tier 1 facility. These line items must neither contain spending unrelated to the Tier 1 facility, nor spending related to an order the Project will place at the Tier 1 facility.
- Applicant must treat the spending and jobs associated with orders placed at Tier 1 facilities as direct, and include this spending on the Bills-of-Goods worksheet, even if it is not contributing to the development and construction or expansion of the Tier 1 facility. The Applicant must only claim credit for the cost of its order, and the direct labor time and direct labor cost that will be expended at the Tier 1 facility to fulfill its order. The Applicant cannot claim credit for spending or labor time associated with the facility's fulfillment of orders placed by other projects, whether they are Qualified Projects or awarded in response to other states' solicitations. For each Tier 1 facility, the Applicant must separately identify any and all line items related to the Project's order placed at the facility. These line items must not contain spending related to the development and construction or expansion of the Tier 1 facility, or spending unrelated to the Tier 1 facility.
- If the Applicant will make an investment in a Tier 2 facility through its investment in a Tier 1 facility, then the investment in the Tier 2 facility must be reported as one or more separate line items on the Bills-of-Goods worksheet, with each line item clearly identifying the Tier 1 facility with which it is associated. For each set of Tier 2 facility line items, the Applicant must provide documentation that supports its claim that its investment in the Tier 2 facility through a Tier 1 facility should be treated as direct.
- If an Applicant is submitting more than one Project and associated Application Form, it must include an identical set of line items on the Bills-of-Goods worksheet in each Application Form, and use blanks or zeros for the in-state total cost, labor time, labor cost, and percent share of cost and labor by calendar year of line items that are not applicable to a particular Project.

¹³⁴ See footnote 94.

4 CRITERIA FOR EVALUATION OF APPLICATIONS

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

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

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

Table 5. Weighting of Evaluation Criteria

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

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

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

4.1 Evaluation of OREC Purchase Price and Ratepayer Impacts

OREC Purchase Price includes meeting the requirement for a fixed pay-for-performance price, as well as plans for maximizing revenue from the sales of energy, capacity, and ancillary services, which are credited back to ratepayers. Ratepayer Impacts include the average increase in residential, commercial, and industrial customer bills, with the baseline values before Project impacts calculated using sales and revenue data for New Jersey from the U.S. Energy Information Administration ("EIA") Form 861.¹³⁵ The Board will also consider the timing of any rate impacts.

¹³⁵ See <https://www.eia.gov/electricity/data/eia861m/>.

The evaluation of OREC Purchase Prices will be based on the inflation adjusted levelized price per MWh. The levelized cost calculation is presented in Attachment 14. The final price related score and corresponding ratepayer impact will reflect the Board’s expectation of the change in each index included in the adjustment mechanism between the BAFO Submission Deadline and the date three years before the proposed COD for each Project. An estimate of the Project’s TSUCPA will also be included for purposes of the price evaluation, if applicable. The quantitative impact of the total award capacity on the level of Ratepayer Impacts will be considered in the selection of Qualified Projects.

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

4.2 Evaluation of Non-Price Considerations

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

Table 6. Relative Economic Impacts Weighting Associated with Guaranteed Spending¹³⁶

	Weighting
Direct	100%
Indirect	50%
Induced	40%

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

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

- Strength of guarantee proposed by the Applicant for economic benefits,
- Incremental supply chain investments aligned with State goals, including preferences for full-scale manufacturing of nacelles, cables and other components manufactured at a Tier 1 manufacturing facility or supplied by a Tier 2 supplier,

¹³⁶ Neither indirect nor induced economic impacts associated with guaranteed direct employment and spending will be subject to shortfall mitigation.

- Employment and spending associated with utilization of the NJWP and other existing or under development wind supply chain and infrastructure facility investments in New Jersey,
 - Quality of Supplier Engagement Plan including contracting targets for the State and New Jersey SMWVBES,
 - Quality of Workforce Development Plan including commitments to high-quality long-term jobs, hiring targets for State residents and residents of OBCs, and commitments to work with labor unions, and
 - Economic benefits to OBCs.
2. **The strength of guarantees for economic impacts** – This includes all measures proposed to assure that guaranteed in-State expenditures and jobs commitments will materialize, as well as the disposition mechanism(s) for the 10% of any shortfalls in economic impacts relative to guarantees to be proposed at Applicant’s discretion, subject to Board approval.
 3. **Environmental and fisheries impacts** – This includes the feasibility and strength of the Applicant’s plans to avoid, minimize, or mitigate onshore and offshore impacts created by Project development, construction and operation, including the impact on surrounding land use, communities, environmentally and culturally sensitive areas, and commercial and recreational fishing, as well as the net reductions of pollutants for each MWh generated. This will include a review of the provided Environmental Protection Plan, Data Management and Availability Plan, Offshore Wind Infrastructure Monitoring Plan, and Fisheries Protection Plan.
 4. **Likelihood of successful commercial operation** – This includes, but is not limited to, the quality and thoroughness of Project timelines, permitting plans, interconnection plans, financing plans, equipment and labor supply plans, port facilities and marshalling plans, and the current progress displayed in achieving these plans. Projects with an earlier COD, that include achievable component procurement plans, and/or that are further along in the development process, for example, Projects that already have an Interconnection Service Agreement, will be considered favorably. The BPU will also consider the Applicant and its corporate parent companies’ history of withdrawing from or failing to meet the requirements of prior awards in New Jersey or elsewhere in the U.S.

Attachment 1
Application Form

New Jersey OREC Application Form for Qualified Offshore Wind Projects - Fourth Solicitation

Electric Generation Facility

BOEM Lease Area

Applicant

Applicant Website

Project Name

Primary Contact

Name

Phone 1

Phone 2

E-Mail

Address

Secondary Contact

Name

Phone 1

Phone 2

E-Mail

Capacity and Phasing

Number of proposed capacity installation phases

(form allows for up to 5 phases) **Field is Required**

Capacity Installation Phase

1

Phase CO Date

Phase WTG Nameplate Capacity (MW)

Phase Injection Capacity at POI (MW)

Total WTG Nameplate Capacity (MW)

0.0

Total Injection Capacity at POI (MW)

0.0

First Day of OREC Term for Evaluation

Last Day of OREC Term for Evaluation

Schedule

Project Phase

Development	Construction	Operation	Decommissioning
2020			2055
2027	2030	2055	2057

Start Year

End Year

Performance

Expected Annual Generation (MWh)

(calculated based on first full calendar year that all phases are operating)

Expected Capacity Factor

(calculated based on first full calendar year that all phases are operating)

Expected Annual Delivered Energy

(calculated based on first full calendar year that all phases are operating)

Expected Capacity Factor (net of losses)

(calculated based on first full calendar year that all phases are operating)

Annual OREC Allowance (MWh)

Field is required

Expected Total OREC Production

0

(calculated based on total delivered energy over the contract term)

New Jersey OREC Application Form for Qualified Offshore Wind Projects - Fourth Solicitation

Electric Generation Facility Enter on Project Summary Sheet
Applicant Enter on Project Summary Sheet
Project Name Enter on Project Summary Sheet

12x24 Profile of Expected (P(50)) Generation as a Fraction of Installed Capacity by Month and Hour of Day

Enter values representative of the first year with full installed capacity.

Enter values manually or PASTE AS VALUES only. Do not paste in equations or cell formats.

Month	1	2	3	4	5	6	7	8	9	10	11	12	
Hour	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													
23													
24													
Mean	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Std Hrs	744	672	744	720	744	720	744	744	720	744	720	744	8,760

All cells must be filled in

Delivered Energy as a Fraction of Expected Generation by Month and Calendar Year

Accounting for scheduled maintenance, losses, and degradation

Enter values manually or PASTE AS VALUES only. Do not paste in equations or cell formats.

All blue cells must be filled

2063													
2064													
2065													
2066													
2067													
2068													
2069													
2070													
2071													
2072													
2073													
2074													
2075													

Mean

Installed Capacity by Month and Calendar Year (MW)
CALCULATED from Phase CO Dates and Nameplate Capacities

Month	1	2	3	4	5	6	7	8	9	10	11	12
Calendar Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2025	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2026	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2027	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2029	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2030	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2031	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2032	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2033	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2034	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2035	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2036	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2037	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2038	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2039	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2040	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2041	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2042	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2043	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2044	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2045	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Average
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0
0.0

2046	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2047	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2048	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2049	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2050	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2051	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2052	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2053	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2054	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2055	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2056	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2057	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2058	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2059	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2060	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2061	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2062	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2063	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2064	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2065	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2066	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2067	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2068	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2069	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2070	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2071	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2072	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2073	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2074	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2075	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Expected Generation by Month and Calendar Year (MWh)
CALCULATED from Expected Generation Profile and Installed Capacity

Month	1	2	3	4	5	6	7	8	9	10	11	12	
Calendar Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2024	0	0	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0

2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2037	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2038	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2039	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2040	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2043	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2044	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2047	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2048	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2049	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2052	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2053	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2054	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2055	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2072	0	0	0	0	0	0	0	0	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0	0	0	0
Total													0

Expected Delivered Energy by Month and Calendar Year (MWh)
CALCULATED from Expected Generation and Delivered Energy as a Fraction of Expected Generation

Month	1	2	3	4	5	6	7	8	9	10	11	12	
Calendar Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2024	0	0	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0	0	0	0	0
2035	0	0	0	0	0	0	0	0	0	0	0	0	0
2036	0	0	0	0	0	0	0	0	0	0	0	0	0
2037	0	0	0	0	0	0	0	0	0	0	0	0	0
2038	0	0	0	0	0	0	0	0	0	0	0	0	0
2039	0	0	0	0	0	0	0	0	0	0	0	0	0
2040	0	0	0	0	0	0	0	0	0	0	0	0	0
2041	0	0	0	0	0	0	0	0	0	0	0	0	0
2042	0	0	0	0	0	0	0	0	0	0	0	0	0
2043	0	0	0	0	0	0	0	0	0	0	0	0	0
2044	0	0	0	0	0	0	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0	0	0	0	0	0	0
2046	0	0	0	0	0	0	0	0	0	0	0	0	0
2047	0	0	0	0	0	0	0	0	0	0	0	0	0
2048	0	0	0	0	0	0	0	0	0	0	0	0	0
2049	0	0	0	0	0	0	0	0	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0	0	0	0	0
2052	0	0	0	0	0	0	0	0	0	0	0	0	0
2053	0	0	0	0	0	0	0	0	0	0	0	0	0
2054	0	0	0	0	0	0	0	0	0	0	0	0	0

2038	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2039	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2040	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2043	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2044	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2046	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2047	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2048	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2049	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2052	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2053	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2054	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2055	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total														0

New Jersey OREC Application Form for Qualified Offshore Wind Projects - Fourth Solicitation

Electric Generation Facility Enter on Project Summary Sheet
Applicant Enter on Project Summary Sheet
Project Name Enter on Project Summary Sheet

First Energy Year for evaluation purposes

Project

First Energy Year All-In OREC Purchase Price (\$/OREC) **Field is required**
 Escalation Rate **Field is required**

Transmission System Upgrade Cost Sharing Parameters

Is Transmission System Upgrade Cost Sharing included? **Field is required**

TSUC Threshold 1 (\$) [TSUCT1] **Field is required**

TSUC Threshold 2 (\$) [TSUCT2] **Field is required**

Seller Share of TSUC between TSUCT1 and TSUCT2 **Field is required**

TSUC Threshold 3 (\$) [TSUCT3] **Field is required**

Seller Share of TSUC between TSUCT2 and TSUCT3 **Field is required**

Required Rate of Return **Field is required**

P50 Estimate of Required Project TSUC (\$) **Field is required**

P90 Estimate of Required Project TSUC (\$) **Field is required**

New Jersey OREC Application Form for Qualified Offshore Wind Projects - Fourth Solicitation

Electric Generation Facility Enter on Project Summary Sheet *Please fill in all applicable cells. If a cell is not applicable, enter a zero or leave it blank.*
Applicant Enter on Project Summary Sheet *Enter nominal values for all monetary values.*
Project Name Enter on Project Summary Sheet

Forecast of Energy Prices (\$/MWh)

Enter energy-weighted values manually or PASTE AS VALUES only. Do not paste in equations or cell formats.

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total Energy Revenue (\$)
Calendar Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2024													
2025													
2026													
2027													
2028													
2029													
2030													
2031													
2032													
2033													
2034													
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2071													
2072													
2073													
2074													
2075													

Capacity Price Forecast

Energy Year	Capacity Price (\$/MW-day)	UCAP Expected to Clear in BRA (MW)	Total Capacity Revenue (\$)
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
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2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			

REC Price Forecast

Energy Year	Class I REC Price (\$/REC)
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
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2065	
2066	
2067	
2068	
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2073	
2074	
2075	

Miscellaneous Other Revenue Streams
Enter description (including units) in column header

Energy Year			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			

Energy Year	Total Revenues (\$)
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2025	
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2027	
2028	
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2075	

New Jersey OREC Application Form for Qualified Offshore Wind Projects - Fourth Solicitation

Electric Generation Facility Enter on Project Summary Sheet
Applicant Enter on Project Summary Sheet
Project Name Enter on Project Summary Sheet

Please fill in all applicable cells. If a cell is not applicable, enter a zero or leave it blank.

Annual Direct Emissions by Phase (short tons/year)

Avoided Emissions (short tons/year)

Calendar Year	Development				Construction				Operation				Decommissioning				Avoided Emissions (short tons/year)				
	CO ₂	SO ₂	NO _x	PM _{2.5}	CO ₂	SO ₂	NO _x	PM _{2.5}	CO ₂	SO ₂	NO _x	PM _{2.5}	CO ₂	SO ₂	NO _x	PM _{2.5}	CO ₂	SO ₂	NO _x	PM _{2.5}	
2019																					
2020																					
2021																					
2022																					
2023																					
2024																					
2025																					
2026																					
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2068																					
2069																					
2070																					
2071																					
2072																					
2073																					
2074																					
2075																					
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Electric Generation Facility Enter on Project Summary Sheet
Applicant Enter on Project Summary Sheet
Project Name Enter on Project Summary Sheet

Development Activity Phase In-State Bill-of-Goods

Component	Sub Component	NAICS 6-digit	NAICS 6-digit (or 10-digit) Description	In-State Cost (\$ Mil)	In-State Labor Time (FTE yrs)	In-State Labor Cost (\$ Mil)	Percentage Share of Costs and Labor by Calendar Year										
							2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	

Construction Activity Phase In-State Bill-of-Goods

Component	Sub Component	NAICS 6-digit	NAICS 6-digit (or 10-digit) Description	In-State Cost (\$ Mil)	Labor Time (FTE yrs)	Labor Cost (\$ Mil)	Percentage Share of Costs and Labor by Calendar Year										
							0	1	2	3	4	5	6	7	8	9	

Operation Activity Phase In-State Bill-of-Goods (First Decade)

Enter first year of phase on Project Summary worksheet							Percentage Share of Costs and Labor by Calendar Year									
Component	Sub Component	NAICS 6-digit	NAICS 6-digit (or 10-digit) Description	In-State Cost (\$ Mil)	Labor Time (FTE yrs)	Labor Cost (\$ Mil)	0	1	2	3	4	5	6	7	8	9

Operation Activity Phase In-State Bill-of-Goods (Second Decade)

							Percentage Share of Costs and Labor by Calendar Year									
Component	Sub Component	NAICS 6-digit	NAICS 6-digit (or 10-digit) Description	In-State Cost (\$ Mil)	Labor Time (FTE yrs)	Labor Cost (\$ Mil)	10	11	12	13	14	15	16	17	18	19

New Jersey OREC Application Form for Qualified Offshore Wind Projects - Fourth Solicitation

Electric Generation Facility Enter on Project Summary Sheet
 Applicant Enter on Project Summary Sheet
 Project Name Enter on Project Summary Sheet

*Please fill in all applicable cells. If a cell is not applicable, enter a zero or leave it blank.
 Enter real 2024 \$ (in millions) or nominal \$ (in millions) as indicated in each tables' title.
 Data can be entered for more than one Activity Phase in a given calendar year.*

Expected Annual Direct In-State Jobs Creation, Labor Expenditures, and Other Expenditures by Activity Phase (Real 2024 \$)

Calendar Year	Development			Construction							Operation					Decommissioning				
	In-State Jobs Creation (FTEs)	In-State Expenditures		In-State Jobs Creation (FTEs)	In-State Expenditures				In-State Jobs Creation (FTEs)	In-State Expenditures				In-State Jobs Creation (FTEs)	In-State Expenditures					
		Labor Expenditures (\$ Mil)	Total Expenditures (\$ Mil)		Labor Expenditures (\$ Mil)	Capital Investments (\$ Mil)	Supply Chain Purchases (\$ Mil)	Transfers to Gov't/NonProfits (\$ Mil)		Total Expenditures (\$ Mil)	Labor Expenditures (\$ Mil)	Capital Investments (\$ Mil)	Supply Chain Purchases (\$ Mil)		Transfers to Gov't/NonProfits (\$ Mil)	Total Expenditures (\$ Mil)	Labor Expenditures (\$ Mil)	Supply Chain Purchases (\$ Mil)	Total Expenditures (\$ Mil)	
2019																				
2020																				
2021																				
2022																				
2023																				
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2026																				
2027																				
2028																				
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2068																				
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2070																				
2071																				
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2073																				
2074																				
2075																				
Total	0.0	\$ -	\$ -	0.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -

Guaranteed Minimum Total Direct In-State Jobs Creation and Expenditures by Activity Phase (Nominal \$)

Development (Total)		Construction (Total)		Operation Years 1-5 (Totals)		Operation Years 6-10 (Totals)		Operation Years 11-15 (Totals)		Operation Years 16-20 (Totals)	
In-State Jobs Creation (FTE years)	In-State Total Expenditures (\$ Mil)	In-State Jobs Creation (FTE years)	In-State Total Expenditures (\$ Mil)	In-State Jobs Creation (FTE years)	In-State Total Expenditures (\$ Mil)	In-State Jobs Creation (FTE years)	In-State Total Expenditures (\$ Mil)	In-State Jobs Creation (FTE years)	In-State Total Expenditures (\$ Mil)	In-State Jobs Creation (FTE years)	In-State Total Expenditures (\$ Mil)

Expected Annual Total Direct, Indirect, and Induced In-State Economic Effects (Real 2024 \$)

Calendar Year	Direct Economic Impacts			Indirect Economic Impacts			Induced Economic Impacts		
	In-State Jobs Creation (FTEs)	In-State Labor Income (\$ Mil)	In-State Value Added (\$ Mil)	In-State Jobs Creation (FTEs)	In-State Labor Income (\$ Mil)	In-State Value Added (\$ Mil)	In-State Jobs Creation (FTEs)	In-State Labor Income (\$ Mil)	In-State Value Added (\$ Mil)
2019									
2020									
2021									
2022									
2023									
2024									
2025									
2026									
2027									
2028									
2029									
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2072									
2073									
2074									
2075									
Total	0.0	\$ -	\$ -	0.0	\$ -	\$ -	0.0	\$ -	\$ -

Summary Expected Economic Impacts Information

Total Expected Direct Expenditures in NJ (\$ Nominal)	
Tier 1 Manufacturing - NJ Expenditure (\$ Nominal)	
Tier 1 Manufacturing Jobs in NJ (Time Period)	(e.g., January 2024 to March 2024)
Tier 1 Manufacturing Jobs in NJ (FTE-Years)	
NJ Wind Port Marshalling Spend (\$ Nominal)	
NJ Wind Port Marshalling Timing (Dates of use)	(e.g., January 2024 to March 2024)
O&M Port Investment in NJ (\$ Nominal)	
Wind Institute Support (\$ Nominal)	
Wind Innovation Center Support (\$ Nominal)	
NJ Community Benefits Contributions (\$ Nominal)	

Attachment 2

Administrative Completeness Checklist

**New Jersey Board of Public Utilities
Offshore Wind Solicitation #4
Solicitation Guidance Document Attachment 2
Administrative Completeness Checklist**

This Checklist is meant to serve as an overview of the requirements contained in the Solicitation Guidance Document and N.J.A.C. 14:8-6.5 et seq., and will serve as a tool for judging administrative completeness of the Application. Applicants will ultimately be judged against the requirements and are encouraged to review those requirements confirm their ultimate compliance. In the Reference column, please enter the Application Narrative page number(s) or the Attachment and page number where the information can be found.

Number of Projects included in the Application (equal to number of submitted Application Forms)

Number of Projects is Required

Section	Requirement	Complete?	Reference
	Applicant Commitment Form	No	
	Application Deposit of \$500,000 (by check)	No	
	Substantiation of confidentiality (if applicable)	No	
1 - Applicant Information	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))	No	
	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))	No	
	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)(iii))	No	
	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))	No	
	The Applicant shall disclose, in detail, any prior business bankruptcies, defaults, disbarments, investigations, indictments, or other actions against either the Applicant, its parent company, affiliates, subsidiaries, or any key employees identified above (N.J.A.C. 14:8-6.5(a)(1)(iv)) Other actions include, but are not limited to, litigation, disputes, failure to satisfy contract obligations, or failure to deliver products, involving Applicant or a parent company of Applicant, and relating to the purchase or sale of energy, capacity, or Renewable Energy Certificates. This disclosure can be limited to actions occurring in the United States. This requirement can be satisfied by submittal of Annual Reports and/or consolidated financial statements of parent companies, which may disclose certain of such information, together with a statement from the Applicant, and supporting documentation where appropriate, regarding any required disclosures with respect to the Applicant, its direct parent company(ies), direct affiliates, direct subsidiaries, and the Project's identified key employees.	No	
	For any Re-Bid Project, the Applicant must provide the justification for re-submitting the original Qualified Project as a new Project for consideration as a Qualified Project to be awarded in this Fourth Solicitation.	No	
	For Re-Bid Projects that contain any proposed or contingent sales as part of such Project, the Applicant must provide detailed information on the terms of sale, including dollar amounts and names of all applicable parties involved in such sale. As part of its Application, the Applicant should provide the same information that the Application requires for the proposed or contingent Project owners and investors as the Application requires for current owners and investors.	No	
	Two (2) years of audited financial statements, including accompanying financial notes to these statements, of the Applicant and parent company(ies), 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 its parent company(ies) and has provided professional qualifications that demonstrate that expertise (N.J.A.C. 14:8-6.5(a)(3)(vi)) . Web-based links can be provided to financial statements, provided that the links are to specific documents (rather than a link to an investor information page, for example) and the linked files are searchable PDFs.	No	
	2 - Project Descriptions	A detailed description of the Project including maps, surveys, and other visual aids that support the detailed description of the Project (N.J.A.C. 14:8-6.5(a)(2))	No
The configuration of turbine array, location of cable and balance of system equipment (N.J.A.C. 14:8-6.5(a)(2))		No	
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))		No	
Include a map with the location of the site(s) clearly marked by longitude and latitude and the Federal BOEM, Regulation and Enforcement block numbers (N.J.A.C. 14:8-6.5(a)(2)(i)(4))		No	

Section	Requirement	Complete?	Reference
	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))	No	Indication of Completeness is Required
	Describe any current uses, conflicts or characteristics of the ocean and land areas that will be used for each Project (N.J.A.C. 14:8-6.5(a)(2)(i)(5))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	Indicate whether the Applicant plans to own or lease equipment (N.J.A.C. 14:8-6.5(a)(2)(i)(9))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	A summarized comparison of each of the Projects being submitted by the Applicant and their differentiating characteristics, including specification of which Projects are mutually exclusive and which, if any, could be awarded together	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	The plan to identify equipment suppliers, to the extent that they have not yet been selected, including the status of supplier engagement for each component, identification of potential suppliers engaged to-date, and anticipated timing of supplier selection	No	Indication of Completeness is Required
	The plan to procure the selected equipment, including key milestones, and status of the procurement process	No	Indication of Completeness is Required
	Backup procurement plans that can be implemented within the submitted OREC pricing, including specific components (at a minimum, wind turbine generators) and component suppliers to the extent possible, in the event that the selected equipment cannot be procured	No	Indication of Completeness is Required
	Expected manufacturer warranty terms for major types of equipment	No	Indication of Completeness is Required
	The rationale for selection of HVDC or HVAC export cable technology	No	Indication of Completeness is Required
	The rationale for the selection of HVDC or HVAC cable voltage, including tested capabilities in similar applications and advantages / disadvantages associated with different kilovolt ("kV") ratings	No	Indication of Completeness is Required
	A description of the method used to install the marine portion of the export cable and the target depth of cable burial	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	A detailed description of the main installation 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, plans for obtaining such vessels, status and timing of availability of the vessels planned for usage and anticipated overall costs associated with vessel scheduling and mobilization	No	Indication of Completeness is Required
	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)) if the supplier and/or backup supplier has been selected, or from potential suppliers if a supplier has not been selected	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	A demonstration of the financial strength of the selected turbine manufacturer/supplier (<i>N.J.A.C. 14:8-6.5(a)(2)</i>) if the supplier and/or backup supplier has been selected, or from potential suppliers if a specific supplier has not been selected	No	Indication of Completeness is Required
	A declaration from the foundation manufacturer/supplier that states their ability to manufacture and deliver all foundation within the targeted schedule (<i>N.J.A.C. 14:8-6.5(a)(2)</i>) if the supplier and/or backup supplier has been selected, or from potential suppliers if the supplier has not been selected	No	Indication of Completeness is Required
	A declaration from the undersea cable manufacturer/supplier that states its ability to manufacture and deliver all undersea cable components within the targeted schedule (<i>N.J.A.C. 14:8-6.5(a)(2)</i>) if the supplier and/or backup supplier has been selected, or from potential suppliers if the supplier has not been selected	No	Indication of Completeness is Required
	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 (<i>N.J.A.C. 14:8-6.5(a)(2)</i>) if the contractors have been selected, or from potential contractors if the contractors have not been identified	No	Indication of Completeness is Required
	Provide evidence that the Applicant has selected certified wind turbine generators or a detailed certification plan that is underwritten by a certifying body (<i>N.J.A.C. 14:8-6.5(a)(2)</i>)	No	Indication of Completeness is Required
	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 (<i>N.J.A.C. 14:8-6.5(a)(3)(vii)</i>) If specific suppliers and contractors have not been selected, financial statements should be provided for potential suppliers and contractors. Web-based links can be provided to financial statements, provided that the links are to specific documents (rather than a link to an investor information page, for example) and the linked files are searchable PDFs.	No	Indication of Completeness is Required
	The maps, surveys and other visual aids must also show plans for the location, general configuration, turbine spacing vis-à-vis one another, and orientation of the wind turbine array, and the locations of the export cable (generator lead line) route, offshore and onshore substation(s), converter station(s) (if applicable), cable landfall location, onshore transmission right-of-way, and POI(s)	No	Indication of Completeness is Required
	The distance in statute miles between the nearest turbine and the closest point on shore	No	Indication of Completeness is Required
	For suppliers and contractors that have been selected, or for potential suppliers and contractors if suppliers and contractors have not been selected, a demonstration of the financial strength of the foundation manufacturer/supplier	No	Indication of Completeness is Required
	For suppliers and contractors that have been selected, or for potential suppliers and contractors if suppliers and contractors have not been selected, a demonstration of the financial strength of the cable manufacturer/supplier	No	Indication of Completeness is Required
	For suppliers and contractors that have been selected, or for potential suppliers and contractors if suppliers and contractors have not been selected, a demonstration of the financial strength of the EPC contractor	No	Indication of Completeness is Required
	For suppliers and contractors that have been selected, or for potential suppliers and contractors if suppliers and contractors have not been selected, a demonstration of the financial strength of the BOP contractor	No	Indication of Completeness is Required
	For suppliers and contractors that have been selected, or for potential suppliers and contractors if suppliers and contractors have not been selected, a demonstration of the financial strength of the other key construction contractors or vendors	No	Indication of Completeness is Required
	Disclosure of known existing or pending litigation among the wind turbine generator manufacturer, foundation manufacturer, cable manufacturer, and/or other major equipment manufacturer, if the suppliers have been selected, or for potential suppliers, that may impact Applicant’s ability to achieve the COD set forth in Applicant’s Application	No	Indication of Completeness is Required
3 - Energy Production Estimate	Assumptions that are the basis for the estimate of net energy output for the Project, as reported in the Application Form (<i>N.J.A.C. 14:8-6.5(a)(2)(v)</i>)	No	Indication of Completeness is Required
	Account for, to the fullest extent possible, the coincidence between time of generation for the Project and peak electricity demand (<i>N.J.A.C. 14:8-6.5(a)(2)(vi)</i>)	No	Indication of Completeness is Required
	Provide an estimate, with support, of the amount of energy that will be generated over the term of the life of the turbines (<i>N.J.A.C. 14:8-6.5(a)(2)(vi)</i>)	No	Indication of Completeness is Required
	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 (<i>N.J.A.C. 14:8-6.5(a)(2)(vi)</i>)	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	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))	No	Indication of Completeness is Required
	For each proposed Project, an explanation of how the Annual OREC Allowance, as submitted in the Applicant's Application Form, is derived from the expected annual delivered energy based on the wind resource and energy assessment	No	Indication of Completeness is Required
	For each proposed Project, a planned maintenance outage schedule for the turbines and other equipment	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	Professional qualifications for the wind energy consultant to demonstrate sufficient expertise; (N.J.A.C. 14:8-6.5(a)(2)(v))	No	Indication of Completeness is Required
4 - Financial Analysis	A complete financial analysis of the Project (N.J.A.C. 14:8-6.5(a)(3))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	Tax credits, subsidies or grants the Project will qualify for (N.J.A.C. 14:8-6.5(a)(12)(viii)(2))	No	Indication of Completeness is Required
	Debt service costs and return on equity assumptions (N.J.A.C. 14:8-6.5(a)(12)(viii)(3))	No	Indication of Completeness is Required
	Taxes and depreciation assumptions (N.J.A.C. 14:8-6.5(a)(12)(viii)(4))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	Coverage ratios for recourse and non-recourse debt tranches	No	Indication of Completeness is Required
	Any additional tax credits or other subsidies that Applicant may ultimately be eligible for to be credited to ratepayers in New Jersey	No	Indication of Completeness is Required
	A nominal levelized cost of energy ("LCOE") over the 20-year contract term using a 7% nominal discount rate, a 2.5% inflation rate, and the Project's average ("P50") output, as reported in the Application Form	No	Indication of Completeness is Required
	An Excel file containing financial statements for the Project over the development, construction, operation, and decommissioning periods	No	Indication of Completeness is Required
	Pro forma income statements (N.J.A.C. 14:8-6.5(a)(3)(i))	No	Indication of Completeness is Required
	Balance sheets (N.J.A.C. 14:8-6.5(a)(3)(ii))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	The Project financial statements must include the annual earnings before interest, taxes, depreciation, and amortization ("EBITDA") over the 20-year contract term	No	Indication of Completeness is Required
	The pro forma income statements should provide reasonable insight into the financing assumptions used to support Applicant's required return on investment ("ROI")	No	Indication of Completeness is Required
	An explanation of how the estimated decommissioning costs were determined	No	Indication of Completeness is Required
	The full cost accounting of the Project must specifically identify the material and installation costs for the generator lead line between the offshore substation(s) and the POI, estimated TSUC and any other material interconnection costs	No	Indication of Completeness is Required
Re-Bid Projects must include and specifically identify and document to-date spending under the prior award	No	Indication of Completeness is Required	
5 - Project Financing Plan	The proposed method of financing the Project (N.J.A.C. 14:8-6.5(a)(4))	No	Indication of Completeness is Required
	A detailed financial plan (N.J.A.C. 14:8-6.5(a)(4)(iv)), including (i) all sources of internal development funds which may include the ultimate parent company or an intermediate company in the corporate structure; (ii) a description of the intended funding mechanism, e.g., utilizing cash from operations, issuing recourse and/or non-recourse debt, tax equity, and/or equity for all or a portion of the Project's total expected capitalization; and, (iii) identification of expected or potential project financial sources and the related financing mechanism that may be used, including repayment schedules, conversion features, and anticipated milestones during project development affecting project financiers' security interests	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	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)) , including both committed and potential investors	No	Indication of Completeness is Required
	A demonstrated ability to finance construction through market sources, which may include tax-exempt bond financing through the NJEDA (N.J.A.C. 14:8-6.5(a)(4)(iii))	No	Indication of Completeness is Required
	Names, functions, and fees of all financial and legal advisors (N.J.A.C. 14:8-6.5(a)(4)(iv))	No	Indication of Completeness is Required
	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)) , and considerations related to potential assignments and/or sale to other parties should also be addressed	No	Indication of Completeness is Required
	A corporate organization chart detailing the names of the Project company, its parents and affiliates involved in the development and/or financing of the project, and respective ownership interests or projected interests in the Project company regardless of target percentage ownership	No	Indication of Completeness is Required
	Identification of all conversion rights of the Parent or affiliate to step-up or reduce ownership rights as well as identification of the conditional triggers which may warrant such conversion	No	Indication of Completeness is Required
	Potential senior secured recourse and unsecured non-recourse debt lenders and the expected dollar amount from each	No	Indication of Completeness is Required
	Potential mezzanine or subordinate debt lenders and the expected dollar amount from each	No	Indication of Completeness is Required
	Potential equity investors and expected dollar amount to be invested from each	No	Indication of Completeness is Required
	Potential tax equity financing or tax credit transfer and expected dollar amount from each tax equity source	No	Indication of Completeness is Required
	Potential dollar amount of other equity financing, including contingent equity and expected dollar amount from each	No	Indication of Completeness is Required
	A description of any contemplated or already-existing key agreement(s) related to the Project by, between, or among entities in the corporate organization chart, such as a Development Services Agreement, specifying (i) Project development rights and responsibilities, (ii) the Project's willingness to accept the terms and conditions set forth in the Board Order, and (iii) commitments to fund fully the development and construction of the Project	No	Indication of Completeness is Required
	Identification of expected future investors in the Project in addition to those listed on the corporate organization chart	No	Indication of Completeness is Required
	Identification of the form(s) of commitment security that the Applicant intends to use to satisfy its obligations if selected as a Qualified Project, including, if applicable, disclosure of the parent or parents that will execute any parent company guarantees or any other method that has a parent provide security	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
6 - Documentation of Financial Incentives	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	The projected value of Federal Investment Tax Credit and/or Production Tax Credit, Federal and State subsidies, grants, or other incentives that the Applicant expects to be eligible for, including but not limited to those available under the federal Inflation Reduction Act and Infrastructure Investment and Jobs Act, and a proposed plan to secure and maximize eligibility for such tax credits, subsidies, grants, or other incentives including those related to meeting federal domestic content and labor requirements	No	Indication of Completeness is Required
	Identification of additional Project costs associated with qualifying for tax credits	No	Indication of Completeness is Required
7 - Project Revenue Plan & Strategy	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	The Project revenue plan must link the anticipated revenues to the Project time schedule 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))	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	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 Credit ("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))	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	Describe the approach to calculating a capacity price forecast	No	Indication of Completeness is Required
	Describe the approach to calculating operating revenues related to UCAP sales under PJM's anticipated capacity accreditation principles (e.g., forecast of Offshore Wind Effective Load Carrying Capability Class Ratings)	No	Indication of Completeness is Required
	How capacity market risk, including any capacity performance penalty or incentive payments, will be addressed in regard to apportionment of performance penalties or incentive payments to ratepayers	No	Indication of Completeness is Required
	Any strategies for maximizing Project revenues that do not depend on routine settlement in PJM's day-ahead and/or real-time markets, and how, if at all, the Applicant intends to address any risk associated with any revenue maximization strategy that does not rely on day-ahead or real-time settlement	No	Indication of Completeness is Required
	A description of how the Applicant intends to manage revenue settlement operations and any hedging mechanisms and revenue settlement operations, and how the applicant intends to allocate risk associated with any such mechanisms	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
8 - Economic Development Plan	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))	No	Indication of Completeness is Required
	Method for confirming employment impacts (N.J.A.C. 14:8-6.5(a)(11)(vi))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	A detailed input-output analysis of the impact of the Project on income, employment, wages, indirect business taxes and output in the State with particular emphasis on in-State manufacturing employment (N.J.A.C. 14:8-6.5(a)(11)(i), N.J.A.C. 14:8-6.5(a)(11)(v))	No	Indication of Completeness is Required
	Start of procurement activities for the Project that represents the beginning of tracking spending against guaranteed values, if in the future a milestone activity and estimated date can be provided instead of a specific date	No	Indication of Completeness is Required
	Planned in-State spending to support planning and development, component manufacturing and equipment purchases, construction and installation, and O&M	No	Indication of Completeness is Required
	For Re-Bid Projects, details regarding in-state spending that has occurred since the selection of the Project or another Project located in the same footprint as a Qualified Project	No	Indication of Completeness is Required
	Method for calculating and tracking in-State spending with respect to guaranteed values	No	Indication of Completeness is Required
	Method for calculating and tracking in-State jobs with respect to guaranteed values	No	Indication of Completeness is Required
	Identification of the supply chain components and installation labor that are expected to be provided by in-State businesses and/or workers	No	Indication of Completeness is Required
	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, including an estimated date when each investment or program will begin, with a focus on workforce development, investments in innovation, investments in existing and/or planned infrastructure and/or Tier 1 commitments, use of the marshalling and/or manufacturing facilities at the NJWP, and development of alternative ports in New Jersey for manufacturing, and O&M activities	No	Indication of Completeness is Required
	A description of how the Economic Development Plan, including supply chain and other arrangements, will promote effective competition and reduce risk in the offshore wind marketplace	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	For each proposed manufacturing or port facility, provide the status of any arrangement or commitment to utilize the port and describe plans, or provide plans if they have already been prepared, to develop the port, including construction or rehabilitation of shoreline protection structures, wharf structures and other infrastructure improvements	No	Indication of Completeness is Required
	If cost sharing with other developers awarded a Qualified Project in the Fourth Solicitation is proposed, describe the proposed mechanism and parameters for cost allocation, including the inclusion of any contingency or caveat affecting the use of such mechanism, and an illustrative calculation example addressing the impact of the cost sharing proposal on the OREC Purchase Price	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	A detailed Local Supplier Engagement Plan	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	A description of the Applicant's plan to advertise business opportunities to New Jersey firms including, at a minimum, notices for all bids for not-yet-awarded 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)	No	Indication of Completeness is Required
	A description of the Applicant's plan to advertise business opportunities to New Jersey SMWVBEs including, at a minimum, notices for all bids for not-yet-awarded 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")	No	Indication of Completeness is Required
	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 not-yet-awarded contracts, regardless of the value of these contracts	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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.	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	A detailed Workforce Development Plan	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	Collaboration with and support of the Wind Institute and its associated programs to ensure that Applicant provides a coordinated portfolio of workforce development programs that meet industry needs	No	Indication of Completeness is Required
	Identification of potential job opportunities for residents of OBCs and any associated diversity and inclusion initiatives	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	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, 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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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 attract additional investment to build an offshore wind innovation hub in the state, any Applicant plans 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	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
9 - Stakeholder Engagement	A description of the Applicant's values and philosophy related to stakeholder engagement	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	Specific stakeholder engagement activities the Developer 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	No	Indication of Completeness is Required
	Specific stakeholder engagement activities that the Applicant plans to conduct through COD	No	Indication of Completeness is Required
	A description of the Applicant's strategies for engaging with New Jersey government entities	No	Indication of Completeness is Required
10 - Environmental Protection Plan and Emissions Impacts	Analysis of the anticipated environmental benefits and environmental impacts of the Project (N.J.A.C. 14:8-6.5(a)(11)(xiv))	No	Indication of Completeness is Required
	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 soil or other toxic releases to the ocean, or solid waste generation (N.J.A.C. 14:8-6.5(a)(11)(xiv)(1))	No	Indication of Completeness is Required
	The anticipated CO ₂ emissions impact of the Project (N.J.A.C. 14:8-6.5(a)(8))	No	Indication of Completeness is Required
	Provide information regarding the direct emissions impacts of the Project, including CO ₂ , SO ₂ , 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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	The comparative environmental impacts shall be monetized, to the extent possible, for evaluation as part of the overall cost-benefit analysis (see Section 3.16) (N.J.A.C. 14:8-6.5(a)(11)(xiv)(6))	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	A description of lighting controls for the Project	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	A description of any measures that will be taken to minimize the use of any materials or Project components that contain per- and polyfluoroalkyl substances ("PFAS")	No	Indication of Completeness is Required
	A description of any proposed resilience, sustainability, or green building certifications or rating systems that the Applicant will be pursuing for any buildings that will be utilized by the Project	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	Required Data Management and Availability Plan (requirements listed in Attachment 7)	No	Indication of Completeness is Required
	Required Offshore Wind Infrastructure Monitoring Plan (requirements listed in Attachment 8)	No	Indication of Completeness is Required
11 - Fisheries Protection Plan	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, and fisheries-independent data, and identifies species of concern and potentially impacted fisheries	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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 the introduction to Section 3.10	No	Indication of Completeness is Required
	An explanation of how the Applicant will provide reasonable accommodations to commercial and recreational fishing for efficient and safe access to fishing grounds	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
12 - Project Timeline	A timeline for the permitting, licensing, and construction of the Project (N.J.A.C. 14:8-6.5(a)(13))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	Indicate the equipment's delivery time once an order has been placed (N.J.A.C. 14:8-6.5(a)(2)(i)(12))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
13 - Interconnection Plan	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 (if applicable)	No	Indication of Completeness is Required
	A description of the point(s) of interconnection the Project intends to use (N.J.A.C. 14:8 6.5(a)(2))	No	Indication of Completeness is Required
	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)(iii)), and when the Project would expect to be eligible to receive Capacity Injection Rights associated with the SAA	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	A detailed description of how the Project will address and mitigate load constraints in the electrical distribution and PJM transmission system for each point of interconnection (N.J.A.C. 14:8-6.5(a)(14)(iii))	No	Indication of Completeness is Required
	Demonstrate to the greatest extent possible how the Project will address current or potential future load pocket or constraint problems with the electric distribution system and the PJM transmission system (N.J.A.C. 14:8-6.5(a)(14)(iv))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	If applicable, for Applicants proposing Capacity Interconnection Rights (“CIRs”) at the LCS beyond those accommodated by SAA Capability, please explain the expected CIR level, anticipated capacity accreditation value, benefit of increased capacity the Project plans to utilize, and how this capacity value relates to the energy production profile of the Project	No	Indication of Completeness is Required
	If applicable, provisions for reactive compensation and harmonic filtering at the HVDC converter stations at the LCS, including any reactive power issues as necessary associated with the fourth PBI circuit	No	Indication of Completeness is Required
	For Projects not connecting at the LCS, please explain the expected CIR level, anticipated capacity accreditation value, benefit of increased capacity the Project plans to utilize, and how this capacity value relates to the energy production profile of the Project	No	Indication of Completeness is Required
	Supporting documentation and any other engineering justification for the P50 and P90 estimates of the TSUC reported in the Application Form	No	Indication of Completeness is Required
	Any draft or final interconnection studies conducted by PJM, or by a study conducted by a third party, including, but not limited to, the Feasibility Study, System Impact Study, and Facility Study relating to the proposed Project	No	Indication of Completeness is Required
	If applicable, OTN preparation requirements as listed in Attachment 10	No	Indication of Completeness is Required
14 - Permitting Plan	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	Indicate the type and number of entities securing leases or owning land (N.J.A.C. 14:8-6.5(a)(10)(v))	No	Indication of Completeness is Required
	A plan for accomplishing remaining steps toward acquiring leases or land ownership (N.J.A.C. 14:8-6.5(a)(10)(v))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	A list of all local regulatory agency approvals, permits, or other authorizations required pursuant to local law	No	Indication of Completeness is Required
	A list of all State, Federal and local regulatory agency approvals, permits, or other authorizations required to develop, expand, or otherwise utilize port facilities	No	Indication of Completeness is Required
	A strategy, including the expected timeline, to obtain each required permit and/or approval	No	Indication of Completeness is Required
	Identify the land ownership requirements for the port facilities included in the Project	No	Indication of Completeness is Required
	Identify each appropriate local, State and/or Federal agency the Applicant has contacted for land acquisition issues and provide a summary of the required arrangements	No	Indication of Completeness is Required
	Copies of all submitted permit applications and any issued approvals and permits (N.J.A.C. 14:8-6.5(a)(10))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
15 - O&M Plan	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))	No	Indication of Completeness is Required
	Detail routine, intermittent, and emergency protocols (N.J.A.C. 14:8-6.5(a)(7)(i))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	Identify specific and concrete elements to ensure both construction and operational cost controls (N.J.A.C. 14:8-6.5(a)(7)(v))	No	Indication of Completeness is Required
	Provide proof of insurance typical of the industry (N.J.A.C. 14:8-6.5(a)(7)(vi))	No	Indication of Completeness is Required

Section	Requirement	Complete?	Reference
	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))	No	Indication of Completeness is Required
	Provide a complete O&M plan for the life of the plant (N.J.A.C. 14:8-6.5(a)(7)(viii))	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	Describe how the built infrastructure will be made climate resilient to withstand expected climate impacts	No	Indication of Completeness is Required
	Address the potential for cable exposure over the lifetime of the project and provide plans for reburial, if necessary	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	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	No	Indication of Completeness is Required
	A description of any non-standard insurance product that you may seek, with respect to the Project	No	Indication of Completeness is Required
16 - Decommissioning Plan	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))	No	Indication of Completeness is Required
	Estimate an expected useful economic life for the technology and installation area proposed (N.J.A.C. 14:8-6.5(a)(9)(i))	No	Indication of Completeness is Required
	Specify a Project decommissioning plan for the technology and installation area proposed (N.J.A.C. 14:8-6.5(a)(9)(i))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	Provide for the necessary future funding. Segregated decommissioning funds shall be required (N.J.A.C. 14:8-6.5(a)(9)(iii))	No	Indication of Completeness is Required
	Description of prior Applicant decommissioning experience	No	Indication of Completeness is Required
	Description of how decommissioned components will be recycled, reused or disposed of	No	Indication of Completeness is Required
17 - Cost-Benefit Analysis	The cost-benefit analysis for the Project to show net benefits for the State (N.J.A.C. 14:8-6.5(a)(11))	No	Indication of Completeness is Required
	Ratepayer net costs with explicit listing of foundations, assumptions and conditions (N.J.A.C. 14:8-6.5(a)(11)(ii)) , consistent with the Project's financial analysis (see Section 3.4), revenue plan (see Section 3.7) and values submitted in the Application Form	No	Indication of Completeness is Required
	Direct, indirect and induced effects (N.J.A.C. 14:8-6.5(a)(11)(ix)) of the economic development plan described in Section 3.8	No	Indication of Completeness is Required
	Environmental net benefits with explicit listing of foundations, assumptions and conditions (N.J.A.C. 14:8-6.5(a)(11)(iii)) , quantified and monetized as described in Section 3.10	No	Indication of Completeness is Required
	Information on any State grants or other subsidies from the New Jersey Economic Development Authority 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))	No	Indication of Completeness is Required
	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))	No	Indication of Completeness is Required
	Monetization of the direct, indirect and induced effects of the economic development plan shown as a present value in dollars discounted to December 31, 2020 at a 7% nominal discount rate	No	Indication of Completeness is Required
18 - Application Forms	Enter Project names below (Note: number of entries must match the number of Projects in Cell C10)		

Section	Requirement	Complete?	Reference

Attachment 3

Applicant Commitment Form

Attachment 3

Applicant Commitment Form

The Applicant makes the following commitments for the duration of each of the submitted Projects, should they become a Qualified Offshore Wind Project:

1. The Applicant acknowledges and agrees to the terms related to Contingent Projects as listed in Section 1.5 of the SGD.
2. The Applicant acknowledges and agrees to the terms related to Re-Bid Projects as listed in Section 1.6 of the SGD if submitting a Re-Bid Project for consideration.
3. The Applicant acknowledges and agrees to the terms related to Performance Guarantee as listed in Section 2.6 and Attachment 13 of the SGD.
4. The Applicant will notify Board Staff, within 30 days, of the departure of any key employee; submit the expertise and qualifications for any new key employee for approval by Board Staff; seek Board Staff approval for any change to the organizational structure of key employee positions and the level of expertise and qualifications of those key employees; and obtain prior Board approval for an entity to assume a controlling interest in the proposed Project or the approved Qualified Offshore Wind Project.
5. The Applicant will ensure that the Project is compliant with all applicable Federal and State statutes and regulations and municipal code requirements, and will provide proof of such compliance on an ongoing basis.
6. The Applicant shall notify the Board, in writing, of any changes to the financing plan or equity or other ownership interests in the Project within 30 days, and such changes will be subject to Board approval.
7. The Applicant will file financial statements with the Board on a quarterly and annual basis as directed in the Board Order approving a Qualified Project.
8. The Applicant will pass along all tax credits or other governmental benefits to ratepayers that are greater than projected, except as noted in Section 1.3 of the SGD. Tax credits that are greater than what were projected and included in the OREC Purchase Price that are the result of increased project cost basis, can be retained by the developer and not returned to ratepayers. Tax credits that are greater than what were projected and included in the OREC Purchase Price that are the result of increased tax incentive rates are to be returned to ratepayers.
9. Ratepayers will not be responsible for any cost overruns and for costs associated with non-performance.
10. Any decommissioning costs in excess of the anticipated costs stated in the Application shall not be made up by ratepayers, suppliers, or providers.
11. The Applicant shall supply the Board, within 14 days of filing, any filings directly or indirectly related to the Project made to any other regulatory, governmental administrative agency, including but not limited to, any compliance filings or any inquiries by these agencies.
12. The Applicant shall provide the Board with copies of each local, State and/or Federal permit and/or approval required to build and operate the Project within 14 days of receipt.
13. The Applicant acknowledges that the Board may share confidential information the Applicant provides with other New Jersey agencies, PJM, and federal agencies with jurisdiction over the interconnection and permitting of the Project.
14. The Applicant will commit financial and technical support to the Research and Monitoring Initiative with a \$10,000 fee per megawatt of Qualified Project delivered capacity.

ACKNOWLEDGED AND AGREED TO BY:

Applicant _____

Signature _____ Date _____

Print Name _____

Print Title _____

Attachment 4

Offshore Wind Economic Development Act

CHAPTER 57

AN ACT concerning the development of offshore wind projects, amending and supplementing P.L.1999, c.23, amending P.L.2007, c.340, and supplementing P.L.2007, c.346 (C.34:1B-207 et seq.).

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read as follows:

C.48:3-51 Definitions relative to competition in the electric power, gas, solar energy and offshore wind industries.

3. As used in P.L.1999, c.23 (C.48:3-49 et al.):

"Assignee" means a person to which an electric public utility or another assignee assigns, sells or transfers, other than as security, all or a portion of its right to or interest in bondable transition property. Except as specifically provided in P.L.1999, c.23 (C.48:3-49 et al.), an assignee shall not be subject to the public utility requirements of Title 48 or any rules or regulations adopted pursuant thereto;

"Basic gas supply service" means gas supply service that is provided to any customer that has not chosen an alternative gas supplier, whether or not the customer has received offers as to competitive supply options, including, but not limited to, any customer that cannot obtain such service for any reason, including non-payment for services. Basic gas supply service is not a competitive service and shall be fully regulated by the board;

"Basic generation service" or "BGS" means electric generation service that is provided, to any customer that has not chosen an alternative electric power supplier, whether or not the customer has received offers for competitive supply options, including, but not limited to, any customer that cannot obtain such service from an electric power supplier for any reason, including non-payment for services. Basic generation service is not a competitive service and shall be fully regulated by the board;

"Basic generation service provider" or "provider" means a provider of basic generation service;

"Basic generation service transition costs" means the amount by which the payments by an electric public utility for the procurement of power for basic generation service and related ancillary and administrative costs exceeds the net revenues from the basic generation service charge established by the board pursuant to section 9 of P.L.1999, c.23 (C.48:3-57) during the transition period, together with interest on the balance at the board-approved rate, that is reflected in a deferred balance account approved by the board in an order addressing the electric public utility's unbundled rates, stranded costs, and restructuring filings pursuant to P.L.1999, c.23 (C.48:3-49 et al.). Basic generation service transition costs shall include, but are not limited to, costs of purchases from the spot market, bilateral contracts, contracts with non-utility generators, parting contracts with the purchaser of the electric public utility's divested generation assets, short-term advance purchases, and financial instruments such as hedging, forward contracts, and options. Basic generation service transition costs shall also include the payments by an electric public utility pursuant to a competitive procurement process for basic generation service supply during the transition period, and costs of any such process used to procure the basic generation service supply;

"Board" means the New Jersey Board of Public Utilities or any successor agency;

"Bondable stranded costs" means any stranded costs or basic generation service transition costs of an electric public utility approved by the board for recovery pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et al.), together with, as approved by the board: (1)

the cost of retiring existing debt or equity capital of the electric public utility, including accrued interest, premium and other fees, costs and charges relating thereto, with the proceeds of the financing of bondable transition property; (2) if requested by an electric public utility in its application for a bondable stranded costs rate order, federal, State and local tax liabilities associated with stranded costs recovery or basic generation service transition cost recovery or the transfer or financing of such property or both, including taxes, whose recovery period is modified by the effect of a stranded costs recovery order, a bondable stranded costs rate order or both; and (3) the costs incurred to issue, service or refinance transition bonds, including interest, acquisition or redemption premium, and other financing costs, whether paid upon issuance or over the life of the transition bonds, including, but not limited to, credit enhancements, service charges, overcollateralization, interest rate cap, swap or collar, yield maintenance, maturity guarantee or other hedging agreements, equity investments, operating costs and other related fees, costs and charges, or to assign, sell or otherwise transfer bondable transition property;

"Bondable stranded costs rate order" means one or more irrevocable written orders issued by the board pursuant to P.L.1999, c.23 (C.48:3-49 et al.) which determines the amount of bondable stranded costs and the initial amount of transition bond charges authorized to be imposed to recover such bondable stranded costs, including the costs to be financed from the proceeds of the transition bonds, as well as on-going costs associated with servicing and credit enhancing the transition bonds, and provides the electric public utility specific authority to issue or cause to be issued, directly or indirectly, transition bonds through a financing entity and related matters as provided in P.L.1999, c.23, which order shall become effective immediately upon the written consent of the related electric public utility to such order as provided in P.L.1999, c.23;

"Bondable transition property" means the property consisting of the irrevocable right to charge, collect and receive, and be paid from collections of, transition bond charges in the amount necessary to provide for the full recovery of bondable stranded costs which are determined to be recoverable in a bondable stranded costs rate order, all rights of the related electric public utility under such bondable stranded costs rate order including, without limitation, all rights to obtain periodic adjustments of the related transition bond charges pursuant to subsection b. of section 15 of P.L.1999, c.23 (C.48:3-64), and all revenues, collections, payments, money and proceeds arising under, or with respect to, all of the foregoing;

"British thermal unit" or "Btu" means the amount of heat required to increase the temperature of one pound of water by one degree Fahrenheit;

"Broker" means a duly licensed electric power supplier that assumes the contractual and legal responsibility for the sale of electric generation service, transmission or other services to end-use retail customers, but does not take title to any of the power sold, or a duly licensed gas supplier that assumes the contractual and legal obligation to provide gas supply service to end-use retail customers, but does not take title to the gas;

"Buydown" means an arrangement or arrangements involving the buyer and seller in a given power purchase contract and, in some cases third parties, for consideration to be given by the buyer in order to effectuate a reduction in the pricing, or the restructuring of other terms to reduce the overall cost of the power contract, for the remaining succeeding period of the purchased power arrangement or arrangements;

"Buyout" means an arrangement or arrangements involving the buyer and seller in a given power purchase contract and, in some cases third parties, for consideration to be given by the buyer in order to effectuate a termination of such power purchase contract;

"Class I renewable energy" means electric energy produced from solar technologies, photovoltaic technologies, wind energy, fuel cells, geothermal technologies, wave or tidal action, and methane gas from landfills or a biomass facility, provided that the biomass is cultivated and harvested in a sustainable manner;

"Class II renewable energy" means electric energy produced at a resource recovery facility or hydropower facility, provided that such facility is located where retail competition is permitted and provided further that the Commissioner of Environmental Protection has determined that such facility meets the highest environmental standards and minimizes any impacts to the environment and local communities;

"Co-generation" means the sequential production of electricity and steam or other forms of useful energy used for industrial or commercial heating and cooling purposes;

"Combined heat and power facility" or "co-generation facility" means a generation facility which produces electric energy, steam, or other forms of useful energy such as heat, which are used for industrial or commercial heating or cooling purposes. A combined heat and power facility or co-generation facility shall not be considered a public utility;

"Competitive service" means any service offered by an electric public utility or a gas public utility that the board determines to be competitive pursuant to section 8 or section 10 of P.L.1999, c.23 (C.48:3-56 or C.48:3-58) or that is not regulated by the board;

"Commercial and industrial energy pricing class customer" or "CIEP class customer" means that group of non-residential customers with high peak demand, as determined by periodic board order, which either is eligible or which would be eligible, as determined by periodic board order, to receive funds from the Retail Margin Fund established pursuant to section 9 of P.L.1999, c.23 (C.48:3-57) and for which basic generation service is hourly-priced;

"Comprehensive resource analysis" means an analysis including, but not limited to, an assessment of existing market barriers to the implementation of energy efficiency and renewable technologies that are not or cannot be delivered to customers through a competitive marketplace;

"Customer" means any person that is an end user and is connected to any part of the transmission and distribution system within an electric public utility's service territory or a gas public utility's service territory within this State;

"Customer account service" means metering, billing, or such other administrative activity associated with maintaining a customer account;

"Demand side management" means the management of customer demand for energy service through the implementation of cost-effective energy efficiency technologies, including, but not limited to, installed conservation, load management and energy efficiency measures on and in the residential, commercial, industrial, institutional and governmental premises and facilities in this State;

"Electric generation service" means the provision of retail electric energy and capacity which is generated off-site from the location at which the consumption of such electric energy and capacity is metered for retail billing purposes, including agreements and arrangements related thereto;

"Electric power generator" means an entity that proposes to construct, own, lease or operate, or currently owns, leases or operates, an electric power production facility that will sell or does sell at least 90 percent of its output, either directly or through a marketer, to a customer or customers located at sites that are not on or contiguous to the site on which the facility will be located or is located. The designation of an entity as an electric power generator for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in and of itself,

affect the entity's status as an exempt wholesale generator under the Public Utility Holding Company Act of 1935, 15 U.S.C. s.79 et seq.;

"Electric power supplier" means a person or entity that is duly licensed pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and to assume the contractual and legal responsibility to provide electric generation service to retail customers, and includes load serving entities, marketers and brokers that offer or provide electric generation service to retail customers. The term excludes an electric public utility that provides electric generation service only as a basic generation service pursuant to section 9 of P.L.1999, c.23 (C.48:3-57);

"Electric public utility" means a public utility, as that term is defined in R.S.48:2-13, that transmits and distributes electricity to end users within this State;

"Electric related service" means a service that is directly related to the consumption of electricity by an end user, including, but not limited to, the installation of demand side management measures at the end user's premises, the maintenance, repair or replacement of appliances, lighting, motors or other energy-consuming devices at the end user's premises, and the provision of energy consumption measurement and billing services;

"Electronic signature" means an electronic sound, symbol or process, attached to, or logically associated with, a contract or other record, and executed or adopted by a person with the intent to sign the record;

"Energy agent" means a person that is duly registered pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et al.), that arranges the sale of retail electricity or electric related services or retail gas supply or gas related services between government aggregators or private aggregators and electric power suppliers or gas suppliers, but does not take title to the electric or gas sold;

"Energy consumer" means a business or residential consumer of electric generation service or gas supply service located within the territorial jurisdiction of a government aggregator;

"Energy efficiency portfolio standard" means a requirement to procure a specified amount of energy efficiency or demand side management resources as a means of managing and reducing energy usage and demand by customers;

"Energy year" or "EY" means the 12-month period from June 1st through May 31st and shall be numbered according to the calendar year in which it ends;

"Financing entity" means an electric public utility, a special purpose entity, or any other assignee of bondable transition property, which issues transition bonds. Except as specifically provided in P.L.1999, c.23 (C.48:3-49 et al.), a financing entity which is not itself an electric public utility shall not be subject to the public utility requirements of Title 48 or any rules or regulations adopted pursuant thereto;

"Gas public utility" means a public utility, as that term is defined in R.S.48:2-13, that distributes gas to end users within this State;

"Gas related service" means a service that is directly related to the consumption of gas by an end user, including, but not limited to, the installation of demand side management measures at the end user's premises, the maintenance, repair or replacement of appliances or other energy-consuming devices at the end user's premises, and the provision of energy consumption measurement and billing services;

"Gas supplier" means a person that is duly licensed pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and assume the contractual and legal obligation to provide gas supply service to retail customers, and includes, but is not limited to, marketers and brokers. A non-public utility affiliate of a public utility holding company may be a gas

supplier, but a gas public utility or any subsidiary of a gas utility is not a gas supplier. In the event that a gas public utility is not part of a holding company legal structure, a related competitive business segment of that gas public utility may be a gas supplier, provided that related competitive business segment is structurally separated from the gas public utility, and provided that the interactions between the gas public utility and the related competitive business segment are subject to the affiliate relations standards adopted by the board pursuant to subsection k. of section 10 of P.L.1999, c.23 (C.48:3-58);

"Gas supply service" means the provision to customers of the retail commodity of gas, but does not include any regulated distribution service;

"Government aggregator" means any government entity subject to the requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the "Public School Contracts Law," N.J.S.18A:18A-1 et seq., or the "County College Contracts Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a written contract with a licensed electric power supplier or a licensed gas supplier for: (1) the provision of electric generation service, electric related service, gas supply service, or gas related service for its own use or the use of other government aggregators; or (2) if a municipal or county government, the provision of electric generation service or gas supply service on behalf of business or residential customers within its territorial jurisdiction;

"Government energy aggregation program" means a program and procedure pursuant to which a government aggregator enters into a written contract for the provision of electric generation service or gas supply service on behalf of business or residential customers within its territorial jurisdiction;

"Governmental entity" means any federal, state, municipal, local or other governmental department, commission, board, agency, court, authority or instrumentality having competent jurisdiction;

"Greenhouse gas emissions portfolio standard" means a requirement that addresses or limits the amount of carbon dioxide emissions indirectly resulting from the use of electricity as applied to any electric power suppliers and basic generation service providers of electricity;

"Leakage" means an increase in greenhouse gas emissions related to generation sources located outside of the State that are not subject to a state, interstate or regional greenhouse gas emissions cap or standard that applies to generation sources located within the State;

"Market transition charge" means a charge imposed pursuant to section 13 of P.L.1999, c.23 (C.48:3-61) by an electric public utility, at a level determined by the board, on the electric public utility customers for a limited duration transition period to recover stranded costs created as a result of the introduction of electric power supply competition pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et al.);

"Marketer" means a duly licensed electric power supplier that takes title to electric energy and capacity, transmission and other services from electric power generators and other wholesale suppliers and then assumes the contractual and legal obligation to provide electric generation service, and may include transmission and other services, to an end-use retail customer or customers, or a duly licensed gas supplier that takes title to gas and then assumes the contractual and legal obligation to provide gas supply service to an end-use customer or customers;

"Net proceeds" means proceeds less transaction and other related costs as determined by the board;

"Net revenues" means revenues less related expenses, including applicable taxes, as determined by the board;

"Offshore wind energy" means electric energy produced by a qualified offshore wind project;

"Offshore wind renewable energy certificate" or "OREC" means a certificate, issued by the board or its designee, representing the environmental attributes of one megawatt hour of electric generation from a qualified offshore wind project;

"Off-site end use thermal energy services customer" means an end use customer that purchases thermal energy services from an on-site generation facility, combined heat and power facility, or co-generation facility, and that is located on property that is separated from the property on which the on-site generation facility, combined heat and power facility, or co-generation facility is located by more than one easement, public thoroughfare, or transportation or utility-owned right-of-way;

"On-site generation facility" means a generation facility, and equipment and services appurtenant to electric sales by such facility to the end use customer located on the property or on property contiguous to the property on which the end user is located. An on-site generation facility shall not be considered a public utility. The property of the end use customer and the property on which the on-site generation facility is located shall be considered contiguous if they are geographically located next to each other, but may be otherwise separated by an easement, public thoroughfare, transportation or utility-owned right-of-way, or if the end use customer is purchasing thermal energy services produced by the on-site generation facility, for use for heating or cooling, or both, regardless of whether the customer is located on property that is separated from the property on which the on-site generation facility is located by more than one easement, public thoroughfare, or transportation or utility-owned right-of-way;

"Person" means an individual, partnership, corporation, association, trust, limited liability company, governmental entity or other legal entity;

"Private aggregator" means a non-government aggregator that is a duly-organized business or non-profit organization authorized to do business in this State that enters into a contract with a duly licensed electric power supplier for the purchase of electric energy and capacity, or with a duly licensed gas supplier for the purchase of gas supply service, on behalf of multiple end-use customers by combining the loads of those customers;

"Public utility holding company" means: (1) any company that, directly or indirectly, owns, controls, or holds with power to vote, ten percent or more of the outstanding voting securities of an electric public utility or a gas public utility or of a company which is a public utility holding company by virtue of this definition, unless the Securities and Exchange Commission, or its successor, by order declares such company not to be a public utility holding company under the Public Utility Holding Company Act of 1935, 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the Securities and Exchange Commission, or its successor, determines, after notice and opportunity for hearing, directly or indirectly, to exercise, either alone or pursuant to an arrangement or understanding with one or more other persons, such a controlling influence over the management or policies of an electric public utility or a gas public utility or public utility holding company as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that such person be subject to the obligations, duties, and liabilities imposed in the Public Utility Holding Company Act of 1935 or its successor;

"Qualified offshore wind project" means 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 (C.48:3-87.1);

"Regulatory asset" means an asset recorded on the books of an electric public utility or gas public utility pursuant to the Statement of Financial Accounting Standards, No. 71, entitled "Accounting for the Effects of Certain Types of Regulation," or any successor standard and as deemed recoverable by the board;

"Related competitive business segment of an electric public utility or gas public utility" means any business venture of an electric public utility or gas public utility including, but not limited to, functionally separate business units, joint ventures, and partnerships, that offers to provide or provides competitive services;

"Related competitive business segment of a public utility holding company" means any business venture of a public utility holding company, including, but not limited to, functionally separate business units, joint ventures, and partnerships and subsidiaries, that offers to provide or provides competitive services, but does not include any related competitive business segments of an electric public utility or gas public utility;

"Renewable energy certificate" or "REC" means a certificate representing the environmental benefits or attributes of one megawatt-hour of generation from a generating facility that produces Class I or Class II renewable energy, but shall not include a solar renewable energy certificate or an offshore wind renewable energy certificate;

"Resource recovery facility" means a solid waste facility constructed and operated for the incineration of solid waste for energy production and the recovery of metals and other materials for reuse;

"Restructuring related costs" means reasonably incurred costs directly related to the restructuring of the electric power industry, including the closure, sale, functional separation and divestiture of generation and other competitive utility assets by a public utility, or the provision of competitive services as such costs are determined by the board, and which are not stranded costs as defined in P.L.1999, c.23 (C.48:3-49 et al.) but may include, but not be limited to, investments in management information systems, and which shall include expenses related to employees affected by restructuring which result in efficiencies and which result in benefits to ratepayers, such as training or retraining at the level equivalent to one year's training at a vocational or technical school or county community college, the provision of severance pay of two weeks of base pay for each year of full-time employment, and a maximum of 24 months' continued health care coverage. Except as to expenses related to employees affected by restructuring, "restructuring related costs" shall not include going forward costs;

"Retail choice" means the ability of retail customers to shop for electric generation or gas supply service from electric power or gas suppliers, or opt to receive basic generation service or basic gas service, and the ability of an electric power or gas supplier to offer electric generation service or gas supply service to retail customers, consistent with the provisions of P.L.1999, c.23 (C.48:3-49 et al.);

"Retail margin" means an amount, reflecting differences in prices that electric power suppliers and electric public utilities may charge in providing electric generation service and basic generation service, respectively, to retail customers, excluding residential customers, which the board may authorize to be charged to categories of basic generation service customers of electric public utilities in this State, other than residential customers, under the board's continuing regulation of basic generation service pursuant to sections 3 and 9 of P.L.1999, c.23 (C.48:3-51 and 48:3-57), for the purpose of promoting a competitive retail market for the supply of electricity;

"Shopping credit" means an amount deducted from the bill of an electric public utility customer to reflect the fact that such customer has switched to an electric power supplier and no longer takes basic generation service from the electric public utility;

"Social program" means a program implemented with board approval to provide assistance to a group of disadvantaged customers, to provide protection to consumers, or to accomplish a particular societal goal, and includes, but is not limited to, the winter moratorium program, utility practices concerning "bad debt" customers, low income assistance, deferred payment plans, weatherization programs, and late payment and deposit policies, but does not include any demand side management program or any environmental requirements or controls;

"Societal benefits charge" means a charge imposed by an electric public utility, at a level determined by the board, pursuant to, and in accordance with, section 12 of P.L.1999, c.23 (C.48:3-60);

"Solar alternative compliance payment" or "SACP" means a payment of a certain dollar amount per megawatt hour (MWh) which an electric power supplier or provider may submit to the board in order to comply with the solar electric generation requirements under section 38 of P.L.1999, c.23 (C.48:3-87);

"Solar renewable energy certificate" or "SREC" means a certificate issued by the board or its designee, representing one megawatt hour (MWh) of solar energy that is generated by a facility connected to the distribution system in this State and has value based upon, and driven by, the energy market;

"Stranded cost" means the amount by which the net cost of an electric public utility's electric generating assets or electric power purchase commitments, as determined by the board consistent with the provisions of P.L.1999, c.23 (C.48:3-49 et al.), exceeds the market value of those assets or contractual commitments in a competitive supply marketplace and the costs of buydowns or buyouts of power purchase contracts;

"Stranded costs recovery order" means each order issued by the board in accordance with subsection c. of section 13 of P.L.1999, c.23 (C.48:3-61) which sets forth the amount of stranded costs, if any, the board has determined an electric public utility is eligible to recover and collect in accordance with the standards set forth in section 13 of P.L.1999, c.23 (C.48:3-61) and the recovery mechanisms therefor;

"Thermal efficiency" means the useful electric energy output of a facility, plus the useful thermal energy output of the facility, expressed as a percentage of the total energy input to the facility;

"Transition bond charge" means a charge, expressed as an amount per kilowatt hour, that is authorized by and imposed on electric public utility ratepayers pursuant to a bondable stranded costs rate order, as modified at any time pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et al.);

"Transition bonds" means bonds, notes, certificates of participation or beneficial interest or other evidences of indebtedness or ownership issued pursuant to an indenture, contract or other agreement of an electric public utility or a financing entity, the proceeds of which are used, directly or indirectly, to recover, finance or refinance bondable stranded costs and which are, directly or indirectly, secured by or payable from bondable transition property. References in P.L.1999, c.23 (C.48:3-49 et al.) to principal, interest, and acquisition or redemption premium with respect to transition bonds which are issued in the form of certificates of participation or beneficial interest or other evidences of ownership shall refer to the comparable payments on such securities;

"Transition period" means the period from August 1, 1999 through July 31, 2003;

"Transmission and distribution system" means, with respect to an electric public utility, any facility or equipment that is used for the transmission, distribution or delivery of electricity to the customers of the electric public utility including, but not limited to, the land, structures, meters, lines, switches and all other appurtenances thereof and thereto, owned or controlled by the electric public utility within this State; and

"Universal service" means any service approved by the board with the purpose of assisting low-income residential customers in obtaining or retaining electric generation or delivery service.

2. Section 38 of P.L.1999, c.23 (C.48:3-87) is amended to read as follows:

C.48:3-87 Environmental disclosure requirements; standards; rules.

38. a. The board shall require an electric power supplier or basic generation service provider to disclose on a customer's bill or on customer contracts or marketing materials, a uniform, common set of information about the environmental characteristics of the energy purchased by the customer, including, but not limited to:

(1) Its fuel mix, including categories for oil, gas, nuclear, coal, solar, hydroelectric, wind and biomass, or a regional average determined by the board;

(2) Its emissions, in pounds per megawatt hour, of sulfur dioxide, carbon dioxide, oxides of nitrogen, and any other pollutant that the board may determine to pose an environmental or health hazard, or an emissions default to be determined by the board; and

(3) Any discrete emission reduction retired pursuant to rules and regulations adopted pursuant to P.L.1995, c.188.

b. Notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the board shall initiate a proceeding and shall adopt, in consultation with the Department of Environmental Protection, after notice and opportunity for public comment and public hearing, interim standards to implement this disclosure requirement, including, but not limited to:

(1) A methodology for disclosure of emissions based on output pounds per megawatt hour;

(2) Benchmarks for all suppliers and basic generation service providers to use in disclosing emissions that will enable consumers to perform a meaningful comparison with a supplier's or basic generation service provider's emission levels; and

(3) A uniform emissions disclosure format that is graphic in nature and easily understandable by consumers. The board shall periodically review the disclosure requirements to determine if revisions to the environmental disclosure system as implemented are necessary.

Such standards shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act."

c. (1) The board may adopt, in consultation with the Department of Environmental Protection, after notice and opportunity for public comment, an emissions portfolio standard applicable to all electric power suppliers and basic generation service providers, upon a finding that:

(a) The standard is necessary as part of a plan to enable the State to meet federal Clean Air Act or State ambient air quality standards; and

(b) Actions at the regional or federal level cannot reasonably be expected to achieve the compliance with the federal standards.

(2) By July 1, 2009, the board shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a greenhouse gas emissions portfolio standard to mitigate leakage or another regulatory mechanism to mitigate leakage applicable to all electric power suppliers and basic generation service providers that provide electricity to customers within the State. The greenhouse gas emissions portfolio standard or any other regulatory mechanism to mitigate leakage shall:

(a) Allow a transition period, either before or after the effective date of the regulation to mitigate leakage, for a basic generation service provider or electric power supplier to either meet the emissions portfolio standard or other regulatory mechanism to mitigate leakage, or to transfer any customer to a basic generation service provider or electric power supplier that meets the emissions portfolio standard or other regulatory mechanism to mitigate leakage. If the transition period allowed pursuant to this subparagraph occurs after the implementation of an emissions portfolio standard or other regulatory mechanism to mitigate leakage, the transition period shall be no longer than three years; and

(b) Exempt the provision of basic generation service pursuant to a basic generation service purchase and sale agreement effective prior to the date of the regulation.

Unless the Attorney General or the Attorney General's designee determines that a greenhouse gas emissions portfolio standard would unconstitutionally burden interstate commerce or would be preempted by federal law, the adoption by the board of an electric energy efficiency portfolio standard pursuant to subsection g. of this section, a gas energy efficiency portfolio standard pursuant to subsection h. of this section, or any other enhanced energy efficiency policies to mitigate leakage shall not be considered sufficient to fulfill the requirement of this subsection for the adoption of a greenhouse gas emissions portfolio standard or any other regulatory mechanism to mitigate leakage.

d. Notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the board shall initiate a proceeding and shall adopt, after notice, provision of the opportunity for comment, and public hearing, renewable energy portfolio standards that shall require:

(1) that two and one-half percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from Class I or Class II renewable energy sources;

(2) beginning on January 1, 2001, that one-half of one percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from Class I renewable energy sources. The board shall increase the required percentage for Class I renewable energy sources so that by January 1, 2006, one percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider shall be from Class I renewable energy sources and shall additionally increase the required percentage for Class I renewable energy sources by one-half of one percent each year until January 1, 2012, when four percent of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider shall be from Class I renewable energy sources.

An electric power supplier or basic generation service provider may satisfy the requirements of this subsection by participating in a renewable energy trading program approved by the board in consultation with the Department of Environmental Protection;

(3) that the board establish a multi-year schedule, applicable to each electric power supplier or basic generation service provider in this State, beginning with the one-year period

commencing on June 1, 2010, and continuing for each subsequent one-year period up to and including, the one-year period commencing on June 1, 2025, that requires suppliers or providers to purchase at least the following number of kilowatt-hours from solar electric power generators in this State:

EY 2011	306 Gigawatthours (Gwhrs)
EY 2012	442 Gwhrs
EY 2013	596 Gwhrs
EY 2014	772 Gwhrs
EY 2015	965 Gwhrs
EY 2016	1,150 Gwhrs
EY 2017	1,357 Gwhrs
EY 2018	1,591 Gwhrs
EY 2019	1,858 Gwhrs
EY 2020	2,164 Gwhrs
EY 2021	2,518 Gwhrs
EY 2022	2,928 Gwhrs
EY 2023	3,433 Gwhrs
EY 2024	3,989 Gwhrs
EY 2025	4,610 Gwhrs
EY 2026	5,316 Gwhrs

EY 2027, and for every energy year thereafter, at least 5,316 Gwhrs per energy year to reflect an increasing number of kilowatt-hours to be purchased by suppliers or providers from solar electric power generators in this State, and to establish a framework within which suppliers and providers shall purchase at least 2,518 Gwhrs in the energy year 2021 and 5,316 Gwhrs in the energy year 2026 from solar electric power generators in this State, provided, however, that the number of solar kilowatt-hours required to be purchased by each supplier or provider, when expressed as a percentage of the total number of solar kilowatt-hours purchased in this State, shall be equivalent to each supplier's or provider's proportionate share of the total number of kilowatt-hours sold in this State by all suppliers and providers.

The solar renewable portfolio standards requirements in paragraph (3) of this subsection shall automatically increase by 20% for the remainder of the schedule in the event that the following two conditions are met: (a) the number of SRECs generated meets or exceeds the requirement for three consecutive reporting years, starting with energy year 2013; and (b) the average SREC price for all SRECs purchased by entities with renewable energy portfolio standards obligations has decreased in the same three consecutive reporting years. The board shall exempt providers' existing supply contracts that are: (a) effective prior to the date of P.L.2009, c.289; or (b) effective prior to any future increase in the solar renewable portfolio standard beyond the multi-year schedule established in paragraph (3) of this subsection. This exemption shall apply to the number of SRECs that exceeds the number mandated by the solar renewable portfolio standards requirements that were in effect on the date that the providers executed their existing supply contracts. This limited exemption for providers' existing supply contracts shall not be construed to lower the Statewide solar purchase requirements set forth in paragraph (3) of this subsection. Such incremental new requirements shall be distributed over the electric power suppliers and providers not subject to the existing supply contract exemption until such time as existing supply contracts expire and all suppliers are subject to the new requirement.

An electric power supplier or basic generation service provider may satisfy the requirements of this subsection by participating in a renewable energy trading program approved by the board in consultation with the Department of Environmental Protection, or compliance with the requirements of this subsection may be demonstrated to the board by suppliers or providers through the purchase of SRECs.

The renewable energy portfolio standards adopted by the board pursuant to paragraphs (1) and (2) of this subsection shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act."

The renewable energy portfolio standards adopted by the board pursuant to paragraph (3) of this subsection shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 30 months after such filing, and shall, thereafter, be amended, adopted or readopted by the board in accordance with the "Administrative Procedure Act"; and

(4) within 180 days after the date of enactment of P.L.2010, c.57 (C.48:3-87.1 et al.), that the board establish an offshore wind renewable energy certificate program to require that a percentage of the kilowatt hours sold in this State by each electric power supplier and each basic generation service provider be from offshore wind energy in order to support at least 1,100 megawatts of generation from qualified offshore wind projects.

The percentage established by the board pursuant to this paragraph shall serve as an offset to the renewable energy portfolio standard established pursuant to paragraphs (1) and (2) of this subsection and shall reduce the corresponding Class I renewable energy requirement.

The percentage established by the board pursuant to this paragraph shall reflect the projected OREC production of each qualified offshore wind project, approved by the board pursuant to section 3 of P.L.2010, c.57 (C.48:3-87.1), for twenty years from the commercial operation start date of the qualified offshore wind project which production projection and OREC purchase requirement, once approved by the board, shall not be subject to reduction.

An electric power supplier or basic generation service provider shall comply with the OREC program established pursuant to this paragraph through the purchase of offshore wind renewable energy certificates at a price and for the time period required by the board. In the event there are insufficient offshore wind renewable energy certificates available, the electric power supplier or basic generation service provider shall pay an offshore wind alternative compliance payment established by the board. Any offshore wind alternative compliance payments collected shall be refunded directly to the ratepayers by the electric public utilities.

The rules established by the board pursuant to this paragraph shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

e. Notwithstanding any provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the board shall initiate a proceeding and shall adopt, after notice, provision of the opportunity for comment, and public hearing:

(1) net metering standards for electric power suppliers and basic generation service providers. The standards shall require electric power suppliers and basic generation service providers to offer net metering at non-discriminatory rates to industrial, large commercial, residential and small commercial customers, as those customers are classified or defined by the board, that generate electricity, on the customer's side of the meter, using a Class I

renewable energy source, for the net amount of electricity supplied by the electric power supplier or basic generation service provider over an annualized period. Systems of any sized capacity, as measured in watts, are eligible for net metering. If the amount of electricity generated by the customer-generator, plus any kilowatt hour credits held over from the previous billing periods, exceeds the electricity supplied by the electric power supplier or basic generation service provider, then the electric power supplier or basic generation service provider, as the case may be, shall credit the customer-generator for the excess kilowatt hours until the end of the annualized period at which point the customer-generator will be compensated for any remaining credits or, if the customer-generator chooses, credit the customer-generator on a real-time basis, at the electric power supplier's or basic generation service provider's avoided cost of wholesale power or the PJM electric power pool's real-time locational marginal pricing rate, adjusted for losses, for the respective zone in the PJM electric power pool. Alternatively, the customer-generator may execute a bilateral agreement with an electric power supplier or basic generation service provider for the sale and purchase of the customer-generator's excess generation. The customer-generator may be credited on a real-time basis, so long as the customer-generator follows applicable rules prescribed by the PJM electric power pool for its capacity requirements for the net amount of electricity supplied by the electric power supplier or basic generation service provider. The board may authorize an electric power supplier or basic generation service provider to cease offering net metering whenever the total rated generating capacity owned and operated by net metering customer-generators Statewide equals 2.5 percent of the State's peak electricity demand;

(2) safety and power quality interconnection standards for Class I renewable energy source systems used by a customer-generator that shall be eligible for net metering.

Such standards or rules shall take into consideration the goals of the New Jersey Energy Master Plan, applicable industry standards, and the standards of other states and the Institute of Electrical and Electronic Engineers. The board shall allow electric public utilities to recover the costs of any new net meters, upgraded net meters, system reinforcements or upgrades, and interconnection costs through either their regulated rates or from the net metering customer-generator; and

(3) credit or other incentive rules for generators using Class I renewable energy generation systems that connect to New Jersey's electric public utilities' distribution system but who do not net meter.

Such rules shall require the board or its designee to issue a credit or other incentive to those generators that do not use a net meter but otherwise generate electricity derived from a Class I renewable energy source and to issue an enhanced credit or other incentive, including, but not limited to, a solar renewable energy credit, to those generators that generate electricity derived from solar technologies.

Such standards or rules shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by the board in accordance with the provisions of the "Administrative Procedure Act."

f. The board may assess, by written order and after notice and opportunity for comment, a separate fee to cover the cost of implementing and overseeing an emission disclosure system or emission portfolio standard, which fee shall be assessed based on an electric power supplier's or basic generation service provider's share of the retail electricity supply market. The board shall not impose a fee for the cost of implementing and overseeing a greenhouse gas emissions portfolio standard adopted pursuant to paragraph (2) of subsection c. of this

section, the electric energy efficiency portfolio standard adopted pursuant to subsection g. of this section, or the gas energy efficiency portfolio standard adopted pursuant to subsection h. of this section.

g. The board may adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), an electric energy efficiency portfolio standard that may require each electric public utility to implement energy efficiency measures that reduce electricity usage in the State by 2020 to a level that is 20 percent below the usage projected by the board in the absence of such a standard. Nothing in this section shall be construed to prevent an electric public utility from meeting the requirements of this section by contracting with another entity for the performance of the requirements.

h. The board may adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a gas energy efficiency portfolio standard that may require each gas public utility to implement energy efficiency measures that reduce natural gas usage for heating in the State by 2020 to a level that is 20 percent below the usage projected by the board in the absence of such a standard. Nothing in this section shall be construed to prevent a gas public utility from meeting the requirements of this section by contracting with another entity for the performance of the requirements.

i. After the board establishes a schedule of solar kilowatt-hour sale or purchase requirements pursuant to paragraph (3) of subsection d. of this section, the board may initiate subsequent proceedings and adopt, after appropriate notice and opportunity for public comment and public hearing, increased minimum solar kilowatt-hour sale or purchase requirements, provided that the board shall not reduce previously established minimum solar kilowatt-hour sale or purchase requirements, or otherwise impose constraints that reduce the requirements by any means.

j. The board shall determine an appropriate level of solar alternative compliance payment, and establish a 15-year solar alternative compliance payment schedule, that permits each supplier or provider to submit an SACP to comply with the solar electric generation requirements of paragraph (3) of subsection d. of this section. The board may initiate subsequent proceedings and adopt, after appropriate notice and opportunity for public comment and public hearing, an increase in solar alternative compliance payments, provided that the board shall not reduce previously established levels of solar alternative compliance payments, nor shall the board provide relief from the obligation of payment of the SACP by the electric power suppliers or basic generation service providers in any form. Any SACP payments collected shall be refunded directly to the ratepayers by the electric public utilities.

k. The board may allow electric public utilities to offer long-term contracts and other means of financing, including but not limited to loans, for the purchase of SRECs and the resale of SRECs to suppliers or providers or others, provided that after such contracts have been approved by the board, the board's approvals shall not be modified by subsequent board orders.

l. The board shall implement its responsibilities under the provisions of this section in such a manner as to:

- (1) place greater reliance on competitive markets, with the explicit goal of encouraging and ensuring the emergence of new entrants that can foster innovations and price competition;
- (2) maintain adequate regulatory authority over non-competitive public utility services;
- (3) consider alternative forms of regulation in order to address changes in the technology and structure of electric public utilities;

(4) promote energy efficiency and Class I renewable energy market development, taking into consideration environmental benefits and market barriers;

(5) make energy services more affordable for low and moderate income customers;

(6) attempt to transform the renewable energy market into one that can move forward without subsidies from the State or public utilities;

(7) achieve the goals put forth under the renewable energy portfolio standards;

(8) promote the lowest cost to ratepayers; and

(9) allow all market segments to participate.

m. The board shall ensure the availability of financial incentives under its jurisdiction, including, but not limited to, long-term contracts, loans, SRECs, or other financial support, to ensure market diversity, competition, and appropriate coverage across all ratepayer segments, including, but not limited to, residential, commercial, industrial, non-profit, farms, schools, and public entity customers.

n. For projects which are owned, or directly invested in, by a public utility pursuant to section 13 of P.L.2007, c.340 (C.48:3-98.1), the board shall determine the number of SRECs with which such projects shall be credited; and in determining such number the board shall ensure that the market for SRECs does not detrimentally affect the development of non-utility solar projects and shall consider how its determination may impact the ratepayers.

o. The board, in consultation with the Department of Environmental Protection, electric public utilities, the Division of Rate Counsel in, but not of, the Department of the Treasury, affected members of the solar energy industry, and relevant stakeholders, shall periodically consider increasing the renewable energy portfolio standards beyond the minimum amounts set forth in subsection d. of this section, taking into account the cost impacts and public benefits of such increases including, but not limited to:

(1) reductions in air pollution, water pollution, land disturbance, and greenhouse gas emissions;

(2) reductions in peak demand for electricity and natural gas, and the overall impact on the costs to customers of electricity and natural gas;

(3) increases in renewable energy development, manufacturing, investment, and job creation opportunities in this State; and

(4) reductions in State and national dependence on the use of fossil fuels.

p. Class I RECs shall be eligible for use in renewable energy portfolio standards compliance in the energy year in which they are generated, and for the following two energy years. SRECs and ORECs shall be eligible for use in renewable energy portfolio standards compliance in the energy year in which they are generated, and for the following two energy years.

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

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

(1) a detailed description of the project, including maps, surveys and other visual aides. This description shall include, but need not be limited to: the type, size and number of proposed turbines and foundations; the history to-date of the same type, size and manufacturer of installed turbines and foundations globally; and a detailed implementation plan that highlights key milestone activities during the permitting, financing, design, equipment solicitation, manufacturing, shipping, assembly, in-field installation, testing, equipment commissioning and service start-up;

(2) a completed financial analysis of the project including pro forma income statements, balance sheets, and cash flow projections for a 20-year period, including the internal rate of return, and a description and estimate of any State or federal tax benefits that may be associated with the project;

(3) the proposed method of financing the project, including identification of equity investors, fixed income investors, and any other sources of capital;

(4) documentation that the entity has applied for all eligible federal funds and programs available to offset the cost of the project or provide tax advantages;

(5) the projected electrical output and anticipated market prices over the anticipated life of the project, including a forecast of electricity revenues from the sale of energy derived from the project and capacity, as well as revenues anticipated by the sale of any ORECs, RECs, air emission credits or offsets, or any tradable environmental attributes created by the project;

(6) an operations and maintenance plan for the initial 20-year operation of the project that: details routine, intermittent and emergency protocols; identifies the primary risks to the built infrastructure and how the potential risks, including but not limited to hurricanes, lightning, fog, rogue wave occurrences, and exposed cabling, shall be mitigated; and identifies specific and concrete elements to ensure both construction and operational cost controls. This operations and maintenance plan shall be integrated into the financial analysis of the project, and shall identify the projected plan for the subsequent 20 years, following conclusion of the initial 20-year operations, assuming any necessary federal lease agreements are maintained and renewed;

(7) the anticipated carbon dioxide emissions impact of the project;

(8) a decommissioning plan for the project including provisions for financial assurance for decommissioning as required by the applicable State and federal governmental entities;

(9) a list of all State and federal regulatory agency approvals, permits, or other authorizations required pursuant to State and federal law for the offshore wind project, and copies of all submitted permit applications and any issued approvals and permits for the offshore wind project;

(10) a cost-benefit analysis for the project including at a minimum:

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

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

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

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

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

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

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

(14) any other information deemed necessary by the board in order to conduct a thorough evaluation of the proposal. The board may hire consultants or other experts if the board

determines that obtaining such outside expertise would be beneficial to the review of the proposal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

An order issued by the board pursuant to this subsection shall not be modified by subsequent board orders, unless the modifications are jointly agreed to by the parties.

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

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

4. The board may approve, subject to the project obtaining the necessary permits, approvals, and authorizations from the Department of Environmental Protection, a qualified wind energy project located in territorial waters offshore of a municipality in which casino gaming is authorized, and authorize offshore wind renewable energy certificates for that project. Any such project shall be a nominal 20 megawatts and no more than 25 megawatts

in nameplate capacity and comply with the requirements set forth in section 3 of P.L.2010, c.57 (C.48:3-87.1).

5. Section 7 of P.L.2007, c.340 (C.26:2C-51) is amended to read as follows:

C.26:2C-51 Coordination in administration of programs; use of moneys.

7. a. The agencies administering programs established pursuant to this section shall maximize coordination in the administration of the programs to avoid overlap between the uses of the fund prescribed in this section.

b. Moneys in the fund, after appropriation annually for payment of administrative costs authorized pursuant to subsection c. of this section, shall be annually appropriated and used for the following purposes:

(1) Sixty percent shall be allocated to the New Jersey Economic Development Authority to provide grants and other forms of financial assistance to commercial, institutional, and industrial entities to support end-use energy efficiency projects and new, efficient electric generation facilities that are state of the art, as determined by the department, including but not limited to energy efficiency and renewable energy applications, to develop combined heat and power production and other high efficiency electric generation facilities, to stimulate or reward investment in the development of innovative carbon emissions abatement technologies with significant carbon emissions reduction or avoidance potential, to develop qualified offshore wind projects pursuant to section 3 of P.L.2010, c.57 (C.48:3-87.1), and to provide financial assistance to manufacturers of equipment associated with qualified offshore wind projects. The authority, in consultation with the board and the department, shall determine: (a) the appropriate level of grants or other forms of financial assistance to be awarded to individual commercial, institutional, and industrial sectors and to individual projects within each of these sectors; (b) the evaluation criteria for selecting projects to be awarded grants or other forms of financial assistance, which criteria shall include the ability of the project to result in a measurable reduction of the emission of greenhouse gases or a measurable reduction in energy demand, provided, however, that neither the development of a new combined heat and power production facility, nor an increase in the electrical and thermal output of an existing combined heat and power production facility, shall be subject to the requirement to demonstrate such a measurable reduction; and (c) the process by which grants or other forms of financial assistance can be applied for and awarded including, if applicable, the payment terms and conditions for authority investments in certain projects with commercial viability;

(2) Twenty percent shall be allocated to the board to support programs that are designed to reduce electricity demand or costs to electricity customers in the low-income and moderate-income residential sector with a focus on urban areas, including efforts to address heat island effect and reduce impacts on ratepayers attributable to the implementation of P.L.2007, c.340 (C.26:2C-45 et al.). For the purposes of this paragraph, the board, in consultation with the authority and the department, shall determine the types of programs to be supported and the mechanism by which to quantify benefits to ensure that the supported programs result in a measurable reduction in energy demand;

(3) Ten percent shall be allocated to the department to support programs designed to promote local government efforts to plan, develop and implement measures to reduce greenhouse gas emissions, including but not limited to technical assistance to local governments, and the awarding of grants and other forms of assistance to local governments to conduct and implement energy efficiency, renewable energy, and distributed energy

programs and land use planning where the grant or assistance results in a measurable reduction of the emission of greenhouse gases or a measurable reduction in energy demand. For the purpose of conducting any program pursuant to this paragraph, the department, in consultation with the authority and the board, shall determine: (a) the appropriate level of grants or other forms of financial assistance to be awarded to local governments; (b) the evaluation criteria for selecting projects to be awarded grants or other forms of financial assistance; (c) the process by which grants or other forms of financial assistance can be applied for and awarded; and (d) a mechanism by which to quantify benefits; and

(4) Ten percent shall be allocated to the department to support programs that enhance the stewardship and restoration of the State's forests and tidal marshes that provide important opportunities to sequester or reduce greenhouse gases.

c. (1) The department may use up to four percent of the total amount in the fund each year to pay for administrative costs justifiable and approved in the annual budget process, incurred by the department in administering the provisions of P.L.2007, c.340 (C.26:2C-45 et al.) and in administering programs to reduce the emissions of greenhouse gases including any obligations that may arise under subsection a. of section 11 of P.L.2007, c.340 (C.26:2C-55).

(2) The board may use up to two percent of the total amount in the fund each year to pay for administrative costs justifiable and approved in the annual budget process, incurred by the board in administering the provisions of P.L.2007, c.340 (C.26:2C-45 et al.) and in administering programs to reduce the emissions of greenhouse gases including any obligations that may arise under subsection a. of section 11 of P.L.2007, c.340 (C.26:2C-55).

(3) The New Jersey Economic Development Authority may use up to two percent of the total amount in the fund each year to pay for administrative costs justifiable and approved in the annual budget process, incurred by the authority in administering the provisions of P.L.2007, c.340 (C.26:2C-45 et al.) and in administering programs to reduce the emissions of greenhouse gases.

d. The State Comptroller shall conduct or supervise independent audit and fiscal oversight functions of the fund and its uses.

C.34:1B-209.4 Credit to business for wind energy facility; eligibility.

6. a. (1) A business, upon application to and approval from the authority, shall be allowed a credit of 100 percent of its capital investment, made after the effective date of P.L.2010, c.57 (C.48:3-87.1 et al.) but prior to its submission of documentation pursuant to subsection c. of this section, in a qualified wind energy facility located within an eligible wind energy zone, pursuant to the restrictions and requirements of this section. To be eligible for any tax credits authorized under this section, a business shall demonstrate to the authority, at the time of application, that the State's financial support of the proposed capital investment in a qualified wind energy facility will yield a net positive benefit to the State. The value of all credits approved by the authority pursuant to this section may be up to \$100,000,000, except as may be increased by the authority as set forth below; provided, however, that the combined value of all credits approved by the authority pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.), P.L.2009, c.90 (C.52:27D-489a et al.), and P.L.2010, c.57 (C.48:3-87.1 et al.) shall not exceed \$1,500,000,000. The authority shall monitor application and allocation activity under P.L.2007, c.346 after taking into account the allocation under P.L.2007, c.346 and if sufficient credits are available to those qualified business facilities for which applications have been filed or for which applications are reasonably anticipated, and if the chief executive officer judges certain qualified offshore wind projects to be meritorious, the aforementioned cap may, in the discretion of the chief executive officer, be

exceeded for allocation to qualified wind energy facilities in such amounts as the chief executive officer deems reasonable, justified and appropriate.

(2) (a) A business, other than a tenant eligible pursuant to subparagraph (b) of this paragraph, shall make or acquire capital investments totaling not less than \$50,000,000 in a qualified wind energy facility, at which the business, including tenants at the qualified wind energy facility, shall employ at least 300 new, full-time employees, to be eligible for a credit under this section. A business that acquires a qualified wind energy facility after the effective date of P.L.2010, c.57 (C.48:3-87.1 et al.) shall also be deemed to have acquired the capital investment made or acquired by the seller.

(b) A business that is a tenant in the qualified wind energy facility, the owner of which has made or acquired capital investments in the facility totaling more than \$50,000,000, shall occupy a leased area of the qualified wind energy facility that represents at least \$17,500,000 of the capital investment in the qualified wind energy facility at which at least 300 new, full-time employees in the aggregate are employed, to be eligible for a credit under this section. The amount of capital investment in a facility that a leased area represents shall be equal to that percentage of the owner's total capital investment in the facility that the percentage of net leasable area leased by the tenant is of the total net leasable area of the qualified business facility. Capital investments made by a tenant shall be deemed to be included in the calculation of the capital investment made or acquired by the owner, but only to the extent necessary to meet the owner's minimum capital investment of \$50,000,000. Capital investments made by a tenant and not allocated to meet the owner's minimum capital investment threshold of \$50,000,000 shall be added to the amount of capital investment represented by the tenant's leased area in the qualified wind energy facility.

(c) The calculation of the number of new, full-time employees required pursuant to subparagraphs (a) and (b) of this paragraph may include the number of new, full-time positions resulting from an equipment supply coordination agreement with equipment manufacturers, suppliers, installers and operators associated with the supply chain required to support the qualified wind energy facility.

For the purposes of this paragraph, "full time employee" shall not include an employee who is a resident of another state and whose income is not subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., unless that state has entered into a reciprocity agreement with the State of New Jersey, provided that any employee whose work is provided pursuant to a collective bargaining agreement with the port district in the wind energy zone may be included.

(3) A business shall not be allowed a tax credit pursuant to this section if the business participates in a business employment incentive grant relating to the same capital and employees that qualify the business for this credit, or if the business receives assistance pursuant to the "Business Retention and Relocation Assistance Act," P.L.1996, c.25 (C.34:1B-112 et seq.). A business that is allowed a tax credit under this section shall not be eligible for incentives authorized pursuant to the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

(4) Full-time employment for an accounting or privilege period shall be determined as the average of the monthly full-time employment for the period.

b. A business shall apply for the credit within five years after the effective date of P.L.2007, c.346 (C.34:1B-207 et seq.), and a business shall submit its documentation for approval of its credit amount within eight years after the effective date of P.L.2007, c.346.

c. The credit allowed pursuant to this section shall be administered in accordance with the provisions of subsection c. of section 3 of P.L.2007, c.346 (C.34:1B-209) and section 33

of P.L.2009, c.90 (C.34:1B-209.1), except that all references therein to “qualified business facility” shall be deemed to refer to “qualified wind energy facility,” as that term is defined in subsection f. of this section.

d. The amount of the credit allowed pursuant to this section shall, except as otherwise provided, be equal to the capital investment made by the business, or the capital investment represented by the business' leased area, and shall be taken over a 10-year period, at the rate of one-tenth of the total amount of the business' credit for each tax accounting or privilege period of the business, beginning with the tax period in which the business is first approved by the authority as having met the investment capital and employment qualifications, subject to any disqualification as determined by annual review by the authority. In conducting its annual review, the authority may require a business to submit any information determined by the authority to be necessary and relevant to its review. The credit amount for any tax period ending after the date eight years after the effective date of P.L.2007, c.346 (C.34:1B-207 et seq.) during which the documentation of a business' credit amount remains unapproved shall be forfeited, although credit amounts for the remainder of the years of the 10-year credit period shall remain available. The amount of the credit allowed for a tax period to a business that is a tenant in a qualified wind energy facility shall not exceed the business' total lease payments for occupancy of the qualified wind energy facility for the tax period.

e. The authority shall adopt rules in accordance with the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement this section, including but not limited to: examples of and the determination of capital investment; nature of businesses and employment positions constituting and participating in an equipment supply coordination agreement; determination of the types of businesses that may be eligible and expenses that may constitute capital improvements; promulgation of procedures and forms necessary to apply for a credit; and provisions for applicants to be charged an initial application fee, and ongoing service fees, to cover the administrative costs related to the credit.

The rules established by the authority pursuant to this subsection shall be effective immediately upon filing with the Office of Administrative Law and shall be effective for a period not to exceed 12 months and may, thereafter, be amended, adopted or readopted in accordance with the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

f. As used in this section: the terms “authority,” “business,” and “capital investment” shall have the same meanings as defined in section 2 of the “Urban Transit Hub Tax Credit Act,” P.L.2007, c.346 (C.34:1B-208), except that all references therein to “qualified business facility” shall be deemed to refer to “qualified wind energy facility” as defined in this subsection.

In addition, as used in this section:

“Equipment supply coordination agreement” means an agreement between a business and equipment manufacturer, supplier, installer, and operator that supports a qualified offshore wind project, or other wind energy project as determined by the authority, and that indicates the number of new, full-time jobs to be created by the agreement participants towards the employment requirement as set forth in paragraph (2) of subsection a. of this section.

“Qualified offshore wind project” means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

“Qualified wind energy facility” means any building, complex of buildings, or structural components of buildings, including water access infrastructure, and all machinery and equipment used in the manufacturing, assembly, development or administration of

component parts that support the development and operation of a qualified offshore wind project, or other wind energy project as determined by the authority, and that are located in a wind energy zone.

“Wind energy zone” means property located in the South Jersey Port District established pursuant to “The South Jersey Port Corporation Act,” P.L.1968, c.60 (C.12:11A-1 et seq.).

7. This act shall take effect immediately.

Approved August 19, 2010.

Attachment 5

Application Requirements in N.J.A.C. 14:8-6.1 et seq.

N.J.A.C. 14:8-6.1

This file includes all Regulations adopted and published through the New Jersey Register, Vol. 52 No. 13, July 6, 2020

NJ - New Jersey Administrative Code TITLE 14. PUBLIC UTILITIES CHAPTER 8. RENEWABLE ENERGY AND ENERGY EFFICIENCY SUBCHAPTER 6. QUALIFIED OFFSHORE WIND PROJECTS

§ 14:8-6.1 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. Additional definitions that apply to this subchapter can be found at N.J.A.C. 14:3-1.1 and 14:4-1.2.

"All project revenues" shall mean all revenues generated by a qualified offshore wind facility, during the 20-year term of the Board Order, resulting from the sale of energy, capacity, or any ancillary service in PJM, or any other revenue that is generated by a qualified offshore wind facility.

"Annual OREC allowance" means the Board-approved maximum number of ORECs for which a qualified OSW project can be paid during each year of its qualification life.

"Annual OREC allowance schedule" means the schedule included in each qualified OSW project's OREC Order, representing the scheduled amount of ORECs that the project may submit to the OREC payment agent for payment for each month of the year, with the monthly amounts totaling to equal the annual OREC allowance. A project may exceed its monthly allocation due to higher production or output, as long as it does not exceed the annual OREC allowance.

"Annual total projected load" means the State's total load in the energy year immediately proceeding the year during which suppliers must meet their OREC obligation and is used in calculating the OREC purchase percentage.

"Commercial operations date (COD)" means the date upon which a qualified OSW project, or a phase of a qualified OSW facility, which is interconnected to the transmission system in New Jersey, begins to generate power for which it is eligible to receive ORECs.

"Controlling interest" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the company, whether through the ownership of voting securities, by contract, proxy, or otherwise.

"Energy year (EY)" means the 12-month period from June 1st through May 31st and shall be numbered according to the calendar year in which it ends (for example, EY 2019 runs from June 1, 2018 through May 31, 2019).

"Generation attribute tracking system (GATS)" means the environmental and emissions attribute tracking system for electric generation that is administered by PJM Environmental Information Services (EIS).

"Key employee" means any individual employed by the applicant in a supervisory capacity or empowered to make discretionary decisions with respect to the project.

"Offshore wind administrative cost" means the reasonable costs incurred by the EDCs in serving as payment agent and for contracting the OREC administrator, which shall be recoverable by the EDCs.

"Offshore wind alternative compliance payment (OACP)" means a payment made on behalf of a supplier during annual true up due to insufficient OREC supply that shall be equal to the price of an OREC.

"Offshore wind energy" means electric energy produced by a qualified offshore wind project.

"Offshore wind facility qualification life" means, for any qualified offshore wind generation facility, or project phase of a qualified OSW facility, the period beginning on the commercial operation date (COD) when the facility or project phase of a qualified OSW facility, is authorized to operate under this subchapter and ending on the conclusion of the energy year that is 20 years after the date of authorization to operate. An offshore wind facility's qualification life applies to the facility itself, or project phase of a qualified OSW facility, and to each piece of equipment included in the facility, regardless of any interruption

in the offshore wind facility's operation; or of any disassembly, relocation, sale, or transfer of any piece of equipment included in the facility.

"Offshore wind renewable energy certificate" or "OREC" means a certificate issued by the Board or its designee, representing the environmental attributes of one megawatt hour of electric generation from a qualified offshore wind project.

"OREC administrator" means the independent entity jointly contracted by EDCs to oversee and verify all OREC transactions, the refund of all revenues to ratepayers, and annual compliance with the OSW Renewable Portfolio Standard (RPS) obligation.

"OREC payment agent" means the electric distribution company that shall facilitate the transfer of funds pursuant to this subchapter.

"OREC purchase percentage" means the percentage of load for which all suppliers must purchase and retire ORECs, or receive an OACP credit, per this program, as set forth in the OSW carve-out.

"OREC purchase price" means the amount that must be paid for an OREC through this program as established by the Board for each project for each energy year.

"OREC qualification life" means the eligibility period of an OREC. ORECs are eligible to be applied toward the OSW RPS carve-out during the energy year in which they are produced, and the following two energy years, pursuant to the Offshore Wind Economic Development Act, N.J.S.A. 48:3-87.1 et seq.

"OREC surcharge" means a non-bypassable surcharge on ratepayers, to be set annually by the Board, and collected by the EDCs to cover the OREC costs for all qualified offshore wind facilities in operation that year.

"OREC Transaction Management Agreement" means a uniform agreement entered into between each qualified OSW project and the OREC administrator. This OREC Transaction Management Agreement shall serve as the detailed management plan or "operating manual" describing how the OREC administrator will oversee and report out on all OREC transactions and shall require Board approval before going into effect.

"OWEDA" means the Offshore Wind Economic Development Act, N.J.S.A. 48:3-87.1 et seq.

"Qualified offshore wind project" means a wind turbine electric generation facility in the Atlantic Ocean and connected to the electrical 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. 1999, c. 23 (N.J.S.A. 48:3-51).

"Ratepayer surcharge" means "OREC surcharge" as defined in this section.

"Supplier" means basic generation service (BGS) suppliers and third-party suppliers.

"Term" means the period after the COD, during which ORECs may be generated, priced, and sold by a qualified OSW project.

History

HISTORY:

Amended by R.2013 d.039, effective February 19, 2013.

See: 44 N.J.R. 2102(a), 45 N.J.R. 336(a).

Added definition "Controlling interest".

Amended by R.2019 d.009, effective February 19, 2019.

See: 50 N.J.R. 1879(a), 51 N.J.R. 219(b).

Rewrote the section.

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N.J.A.C. 14:8-6.2

This file includes all Regulations adopted and published through the New Jersey Register, Vol. 52 No. 13, July 6, 2020

NJ - New Jersey Administrative Code TITLE 14. PUBLIC UTILITIES CHAPTER 8. RENEWABLE ENERGY AND ENERGY EFFICIENCY SUBCHAPTER 6. QUALIFIED OFFSHORE WIND PROJECTS

§ 14:8-6.2 Offshore wind renewable portfolio standards requirements

- (a)** Each supplier/provider that sells electricity to retail customers in New Jersey shall ensure that the electricity it sells each reporting year in New Jersey includes at least the minimum percentage of offshore wind (OSW) energy required for that energy year as set by the Board following the approval of a qualified offshore wind project.
- (b)** The total OSW energy requirement for an energy year shall reflect the projected OREC production of qualified OSW projects, for the period covered by the granted ORECs, from the commercial operation start date of the qualified OSW projects.
- (c)** OREC obligations are a component of Class I renewable energy requirements, and satisfaction of OREC obligations shall be counted toward Class I renewable energy requirements.
- (d)** A Statewide OREC target will be determined by the Board based on projected OSW production. The total will be allocated among all suppliers/providers in proportion to their retail sales.
- (e)** A supplier/provider shall meet the requirements for OSW energy generation through:
- 1.** Retirement of offshore wind renewable energy certificates through a renewable energy trading program approved by the Board; or
 - 2.** Submittal of offshore wind alternative compliance payments.
- (f)** Any offshore wind alternative compliance payments collected shall be refunded to the ratepayers.
- (g)** The offshore wind carve-out to the RPS schedule is as follows:
- 1.** The OSW carve-out shall establish for each energy year:
 - i.** The total number of MWhs that the Board has authorized as eligible to receive ORECs;
 - ii.** Annual RPS requirement or OSW purchase percentage set as a percentage of retail sales a supplier must cover by purchasing ORECs; and
 - iii.** The OREC purchase price that each individual qualified OSW project has been authorized to receive in OREC Orders in effect for the energy year.
 - 2.** The OSW carve-out shall:
 - i.** Become effective in the first energy year in which the first approved OSW project's commercial operations date falls, and then be adjusted by the Board on an annual basis to reflect subsequent projects;
 - ii.** Continue for each energy year during which any qualified OSW project is operational, up to and including the energy year in which the last qualified OSW project reaches the end of its term as established in its OREC order;
 - iii.** Be published annually by the Board no less than three months prior to the BGS auction;

- iv. Be set and maintained by the Board in order to ensure that sufficient revenues from suppliers, or designated payment agent, are received by the qualified OSW projects for ORECs generated up to each project's approved OREC allowance;
 - v. Account for any payments made in excess of a project's approved OREC allowance and these payments shall be refunded to ratepayers;
 - vi. Require the OREC administrator to advise the Board on an annual basis to determine if the OREC purchase percentage is set too high or too low and needs to be reset to meet the annual OREC allowance;
 - vii. Require the OREC administrator to advise the Board on an annual basis, the amount of the surcharge to be collected by each EDC in order to meet the annual OREC allowance for each qualified offshore wind facility; and
 - viii. Be evaluated annually, and adjusted if necessary, by the Board to ensure sufficient OREC purchase percentage, including adjustments needed to account for any new OREC orders issued in the previous year and changes to the annual total projected load.
3. The OREC administrator shall conduct a true up twice annually at six months and at 12 months and no later than 120 days after the close of each energy year during each year of supplier obligations, to ensure compliance and provide the Board recommendations for any adjustments to the OSW purchase percentage and OSW carve-out.
4. Any adjustment to the OSW purchase percentage and OSW carve-out schedule shall be made at least three years in advance of the applicable energy year. Adjustments to the Class I requirements, necessitated by a change in the OSW requirement percentage, shall be made in tandem and three years in advance.
5. Suppliers shall:
- i. Meet the OSW carve-out requirement by obtaining ORECs from each qualified OSW project in sufficient amounts as verified by the OREC administrator;
 - ii. Set up a PJM-EIS GATs account to receive ORECs from qualified OSW projects on a quarterly basis through the OREC administrator; and
 - iii. Retire ORECs from qualified OSW projects on an annual basis in order to meet the OSW carve-out obligation, in the same manner they would retire other types of RECs to meet other RPS obligations.

History

HISTORY:

Amended by R.2019 d.009, effective February 19, 2019.

See: 50 N.J.R. 1879(a), 51 N.J.R. 219(b).

Added (g).

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N.J.A.C. 14:8-6.3

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NJ - New Jersey Administrative Code TITLE 14. PUBLIC UTILITIES CHAPTER 8. RENEWABLE ENERGY AND ENERGY EFFICIENCY SUBCHAPTER 6. QUALIFIED OFFSHORE WIND PROJECTS

§ 14:8-6.3 Application process

- (a)** An entity seeking to receive ORECs in connection with an offshore wind project shall submit an application to the Board for approval as a qualified offshore wind project. The application must meet the requirements set forth in this section, as well as all applicable requirements of this chapter, and of other applicable State and Federal laws.
- (b)** The Board will announce the open and close dates for all application periods, which shall be set at the Board's discretion.
- (c)** The Board shall approve, conditionally approve, or deny the application within 180 days of the receipt of a completed application. The parties may consent to an extension beyond 180 days.
- (d)** The applicant shall meet with Board staff and representatives of the Division of Rate Counsel no less than 30 days prior to submission of an application to discuss all aspects of the application.
- (e)** All applications must be consistent with Board application standards as set forth in Title 14 of the New Jersey Administrative Code.

History

HISTORY:

Amended by R.2013 d.039, effective February 19, 2013.

See: 44 N.J.R. 2102(a), 45 N.J.R. 336(a).

Rewrote (b).

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N.J.A.C. 14:8-6.4

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NJ - New Jersey Administrative Code TITLE 14. PUBLIC UTILITIES CHAPTER 8. RENEWABLE ENERGY AND ENERGY EFFICIENCY SUBCHAPTER 6. QUALIFIED OFFSHORE WIND PROJECTS

§ 14:8-6.4 Determination of completeness of application

- (a)** Upon receipt of the application, Board staff, in consultation with any consultants or other experts retained pursuant to N.J.A.C. 14:8-6.5(a)16, will review the application for administrative completeness in accordance with the requirements set forth in N.J.A.C. 14:8-6.5.
- (b)** Board staff will notify the applicant within 30 days of the submission if the application is administratively complete or is deficient. If the application is deficient, the applicant will be advised which items must be remedied to correct the deficiency or deficiencies.
- (c)** Once Board staff notifies the applicant that the application is complete as filed, the 180-day period for the Board to approve, conditionally approve, or deny the application will commence on the date the complete application was filed.
- (d)** If Board staff has notified the applicant that a deficiency or deficiencies exist, the 180-day period will not commence until all deficiencies have been remedied and the filing is deemed by Board staff to be administratively complete.
- (e)** If Board staff notifies the applicant that the application with the remediation of the deficiency or deficiencies is now complete, the 180-day period for the Board to approve, conditionally approve, or deny the application will commence on the last filing date of the remediation of all deficiencies.

History

HISTORY:

Administrative correction.

See: 43 N.J.R. 3198(a).

Amended by R.2013 d.039, effective February 19, 2013.

See: 44 N.J.R. 2102(a), 45 N.J.R. 336(a).

In (a), inserted ", in consultation with any consultants or other experts retained pursuant to N.J.A.C. 14:8-6.5(a)16,".

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N.J.A.C. 14:8-6.5

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NJ - New Jersey Administrative Code TITLE 14. PUBLIC UTILITIES CHAPTER 8. RENEWABLE ENERGY AND ENERGY EFFICIENCY SUBCHAPTER 6. QUALIFIED OFFSHORE WIND PROJECTS

§ 14:8-6.5 Application requirements

(a) Each application shall meet the requirements set forth in (a)1 through 16 below. The application shall include:

- 1.** Full business information, including the developer's name, primary contact person, website, telephone numbers, e-mail address, and street address;
 - i.** The proposal must list all key employees and include resumes of employees that have an identifiable track record in construction and operation of power plants of similar size and scope;
 - ii.** The applicant shall describe 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;
 - iii.** If the work described was not performed by the entire team, the applicant must delineate the experience or work performed by key employees;
 - iv.** 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 in (a)1i above;
 - v.** The applicant shall, for the duration of the project, commit to: notifying the Board, within 30 days, of the departure of any key employee; submitting the expertise and qualifications for any new key employee for approval by the Board; seeking Board approval for any changes to the organizational structure of key employee positions and the level of expertise and qualifications of those key employees; and obtaining prior Board approval for an entity to assume a controlling interest in the proposed project or the approved qualified offshore wind project. Enforcement of this provision shall be a condition of the order granting ORECs;
 - vi.** The applicant is not permitted to reallocate or replace the personnel/resources or key employees they used to obtain the OREC, without prior approval of the Board;
 - vii.** The applicant shall provide documentation, including, but not limited to, letters of intent/commitment/contract, to substantiate any claims that manufacturing services related to the qualified offshore wind project will be sourced from a New Jersey location;
- 2.** A detailed description of the project, including maps, surveys, and other visual aides. The description shall include, but need not be limited to: the type, size, and number of proposed turbines and foundations; the history, to date, of the same type, size, and manufacturer of installed turbines and foundations globally; the configuration of turbine array, location of cable and balance of system equipment, and a description of points of interconnection; 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; a letter of intent or memorandum of understanding from the turbine manufacturer/supplier to supply the selected turbines; a demonstration of the financial strength of the selected turbine manufacturer/supplier; a declaration from the foundation manufacturer/supplier that states their ability to manufacture and deliver all foundation components within the targeted schedule; a declaration from the undersea cable manufacturer/supplier that states their ability to manufacture and deliver all undersea cable components within the targeted schedule; a letter of intent or memorandum of understanding from the proposed engineering, procurement, and construction (EPC), balance of plant (BOP) contractor, and/or key construction contractors or vendors; a demonstration of the applicant's experience in projects of similar size and scope proposed, including the use of other turbine types; and either selected certified wind turbine generators or provide a detailed certification plan that is underwritten by a certifying body.

i. The project developers shall:

- (1)** Demonstrate applicable experience in projects of the size and scope proposed;
- (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;
- (3)** Indicate the areas used for all aspects of the project including the location(s), the construction staging area(s), and port usage;
- (4)** Include a map with the location of the site(s) clearly marked by longitude and latitude and the Federal Bureau of Ocean Energy Management, Regulation and Enforcement block numbers;
- (5)** Describe any current uses, conflicts, or characteristics of the ocean and land areas identified pursuant to (a)2i(4) above;
- (6)** Specify whether the project is located at one site, or divided among several sites;
- (7)** 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;
- (8)** To the fullest extent possible, indicate the major types of equipment that have been selected to be installed, and the characteristics specified;
- (9)** Indicate whether the project team plans to own or lease equipment;
- (10)** 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;
- (11)** 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; and
- (12)** Indicate the equipment's delivery time once an order has been placed;

ii. For actual construction, successful applicants are permitted to replace or update equipment identified in the proposal with more technologically advanced equipment that is equal to or better than the equipment identified in the proposal, subject to Board approval.

iii. Applicants shall describe construction plans in detail, identifying proposed subcontractors, with evidence of the capability of performing necessary tasks, as well as proposed time frames for completion of all necessary tasks.

iv. Applicants shall 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, and a commitment to provide proof of all such compliance on an ongoing basis.

v. Applicants shall indicate the proposed nameplate capacity for the entire project and the anticipated number of individual units for the selected technology; and estimate the net yearly energy output for the project, accounting for losses and include any assumptions, such as the assumed capacity factor, that are the basis for the estimate. Applicants shall provide a wind resource and energy assessment from a wind energy consultant for the exact manufacturer, model, and specifications of turbines selected for the project. Applicants shall also provide the professional qualifications for the wind energy consultant as an attachment to the application to demonstrate sufficient expertise.

vi. Applicants shall account for, to the fullest extent possible, the coincidence between time of generation for the project and peak electricity demand; 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; provide an estimate, with support, of the amount of energy being generated over the term of the life of the turbines; and estimate, with support, the level of generation that their proposed project will be able to provide over the life of the equipment, assuming the project runs for the equipment's full life;

3. A complete financial analysis of the project, which includes:

i. Pro forma income statements;

ii. Balance sheets;

iii. Cash flow projections for the proposed OREC period, including the internal rate of return, and a description and estimate of any State or Federal tax benefits that may be associated with the project;

iv. A comprehensive business plan with fully documented estimates of all associated and relied upon revenue and expense projections;

v. A full cost accounting of the project, including total construction, the feasibility study used to determine the construction costs, and decommissioning costs;

vi. Two years of audited financial statements, including accompanying financial notes to these statements, of the applicant and/or parent company in US 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; and

vii. Audited financial statements for two years, in US GAAP, including accompanying financial notes to these statements, for key projects 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 project suppliers and has provided professional qualifications that demonstrate that expertise;

4. The proposed method of financing the project, which includes:

i. Identification of equity investors, fixed income investors, and any other sources of capital;

ii. Evidence 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;

iii. A demonstrated ability to finance construction through market sources, which may include tax exempt bond financing through the New Jersey Economic Development Authority;

iv. A detailed financial plan including all sources of capital including, but not limited to, equity, long and short term debt, and other sources. Such financial plan shall include the names, functions and fees of all financial and legal advisors. The plan shall specify if and under what conditions equity or other ownership interests in the project can be transferred to other parties and consideration involved. The developer shall notify the Board in writing of any changes within 30 days and such changes will be subject to Board approval pursuant to this subchapter; and

v. A commitment that audited financial statements shall be filed with the Board on a quarterly and annual basis;

5. Documentation to demonstrate that the developer 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.

i. The developer shall document all Federal or State tax incentives for which it is applying or has applied or otherwise are applicable, even if such incentives have not been sought or approved.

ii. Applicants shall provide in a financial pro forma all tax credits or other subsidies upon which they are relying on in their pricing proposal.

iii. The applicant shall commit that the cost difference in the event that changes in the project reduces or eliminates tax benefits, or tax benefits do not materialize for any reason including changes in tax laws, will not be made up by ratepayers, suppliers, or providers.

iv. The applicant shall demonstrate a commitment to pass along tax credits or other governmental benefits to ratepayers that are greater than projected. This pass along of benefits will be effective without the need for any subsequent Board

approval/confirmation following an initial Board Order approving OREC pricing, and will serve as a condition of the OREC approval;

6. The projected electrical output and anticipated market prices over the anticipated life of the project, including a forecast of electricity revenues from the sale of energy derived from the project and capacity, as well as revenues anticipated by the sale of any ORECs, Renewable Energy Certificates (RECs), air emission credits or offsets, or any tradable environmental attributes created by the project.

i. The applicants shall submit 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;

ii. The project revenue plan must link the anticipated revenues to the project time schedule and costs for the entire project lifecycle term extending to the expected life of the turbines and eventual decommissioning;

iii. Applicants shall 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;

iv. Proposals must include the total installed capacity in megawatts for the entire project as well as expected term of OREC energy production in megawatt-hours; and

v. The total amount of clean energy being generated over the term of the OREC program and the life of the turbines must also be provided.

7. An operations and maintenance plan for the initial OREC term of the project is required and must:

i. Detail routine, intermittent and emergency protocols;

ii. Demonstrate that the applicant has the financial capacity and technical expertise to perform all necessary upkeep/maintenance over the life of the project;

iii. 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;

iv. Describe emergency shut down provisions in the event of a need for the immediate stoppage of turbine blades;

v. Identify specific and concrete elements to ensure both construction and operational cost controls;

vi. Provide proof of insurance;

vii. Be integrated into the financial analysis of the project, and must identify the projected plan for the subsequent operational term, assuming any necessary Federal lease agreements are maintained and renewed; and

viii. Include a complete operation and maintenance plan for the life of the plant;

8. The anticipated carbon dioxide emissions impact of the project. Data must be supplied on the environmental air impacts of each proposed wind-farm;

9. 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.

i. Proposals must estimate an expected useful economic life as well as specify a project decommissioning plan for the technology and installation area proposed.

ii. The decommissioning plan must include the anticipated cost of decommissioning the project based on applicable and/or anticipated regulatory and engineering requirements and provide for the necessary future funding. Segregated decommissioning funds shall be required;

iii. The applicant shall commit that any decommissioning costs in excess of the anticipated costs stated in the application shall not be made up by ratepayers, suppliers, or providers;

10. A list of all State and Federal regulatory agency approvals, permits, or other authorizations required pursuant to State and Federal law for the offshore wind project, and copies of all submitted permit applications and any issued approvals and permits for the offshore wind project.

i. An award to build an OSW facility is contingent upon the successful entity obtaining all required local, State and/or Federal permits and/or approvals.

- ii.** Applicants shall show that they are currently in the PJM queue or that the proposed project is PJM queue eligible.
- iii.** Each applicant shall 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. Developers shall provide the Board with copies of each permit or approval within 14 days of receipt by the developer. This is a continuing obligation upon the developer and shall serve as a condition of any OREC award.
- iv.** Applicants shall identify the nature of its ocean lease and land ownership requirements for all aspects of the project including all required interconnection areas.
- v.** 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. The type and number of entities securing leases or owning land must be indicated.
- vi.** Applicants shall identify each appropriate State or Federal agencies they will be contacting for land acquisition issues and provide the Board with a summary of the required arrangements.
- vii.** Applicants are required to demonstrate adequate financial resources to acquire any land or leases needed to undertake this project.
- viii.** 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.
- ix.** The applicant shall supply the Board with filings made to any other regulatory, governmental administrative agency. This includes, but is not limited to, any compliance filings or any inquiries by these agencies;
- 11.** The cost-benefit analysis for the project, to show net benefits for the State, which shall include at a minimum:
 - i.** A detailed input-output analysis of the impact of the project on income, employment, wages, indirect business taxes, and output in the State with particular emphasis on in-State manufacturing employment.
 - (1)** The Board will not specify what input-output models are acceptable, and will allow applicants to use any model that successfully captures New Jersey economic benefits. Suggested models include, but are not limited to:
 - (A)** Rutgers R/ECON model;
 - (B)** Regional Economic Models, Inc. (REMI);
 - (C)** MIG Inc. IMPLAN model; and
 - (D)** The Bureau of Economic Analysis RIMS II model;
 - ii.** Ratepayer net costs with explicit listing of foundations, assumptions and conditions;
 - iii.** Environmental net benefits with explicit listing of foundations, assumptions and conditions;
 - iv.** Other benefits, such as increased in-State activity from construction, operations and maintenance, and equipment purchases;
 - v.** In-State impacts or benefits that need to be included in the cost-benefit analysis-income include, but are not limited to:
 - (1)** Employment;
 - (2)** Wages;
 - (3)** Indirect business taxes; and
 - (4)** Output, with a "particular emphasis" on manufacturing employment. Output refers to the sales of sectors or industries that would be supplying the offshore wind 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);
 - vi.** Detailed information, including location, type or occupation, and salary for assumed employment impacts within New Jersey. Confirmation of employment impacts must be provided;
 - vii.** The Board will evaluate the credibility of asserted economic benefits. The applicants shall propose consequences if claimed benefits do not materialize, and the employment impact may become conditions of any OREC award;
 - viii.** Applicants shall provide information on any State grants or other subsidies from the New Jersey Economic Development Authority or other agencies associated with the proposed wind project and include the subsidy as part of the project cost-benefit analysis;

- ix.** Direct, indirect and induced effects will be considered in the evaluation, as such effects should be considered as part of the evaluation associated with construction and operation of the project;
- x.** The major assumptions and inputs used in the modeling must be specified by the applicant;
- xi.** The Board staff may ask the applicant to rerun the model with other assumptions and inputs to be provided by the Board staff;
- xii.** The Board staff may test an applicant's cost benefit analysis on its own model, which, preferably, would be the same one used by an applicant but it could be a different one, by replicating the analysis using model inputs supplied by the applicant;
- xiii.** Applicants shall also submit an explanation of the location, type and salary of employment opportunities to be created by the project with job totals expressed as full-time equivalent positions assuming 1,820 hours per year;
- xiv.** Applicants shall provide an analysis of the anticipated environmental benefits and environmental impacts of the project.
- (1)** Each project must document all associated 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 and endangered species. This includes sea-bed disruption of marine life, morbidity or mortality among avian, mammal or benthic populations, emissions of combustion by-products to the air or oil or other toxic releases to the ocean, or solid waste generation.
- (2)** Applicants shall specifically describe how their activities will be coordinated with the New Jersey Department of Environmental Protection (NJDEP) Ecological Baseline Studies, and indicate how each resource issue, if impacted, will be addressed.
- (3)** The applicant shall provide information regarding the direct emissions impacts of the project, including carbon dioxide, sulfur dioxide, particulate emissions, as well as other relevant environmental impacts, such as impacts on the marine environment.
- (4)** The applicant shall provide an assessment of environmental impacts from the project compared to other similar Class I renewable energy projects.
- (5)** Environmental impacts (direct and comparative) must be quantified to the extent they are significant and it is possible to quantify them.
- (6)** The comparative environmental impacts shall be monetized, to the extent possible, for evaluation as part of the overall cost-benefit analysis; and
- xv.** Applicants shall submit 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;
- 12.** A proposed OREC pricing method and schedule for the Board to consider.
- i.** An electric power supplier or basic generation service provider shall comply with the OREC program through the purchase of ORECs at a price and for the time period required by the Board.
- ii.** Payment will not occur until electricity is produced by a qualified offshore wind project.
- iii.** The burden remains on the applicant to propose a reasonable OREC price. The Board will then accept, modify or reject the proposed price of the OREC and the associated term. 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.
- iv.** OREC pricing will be on a pay for performance basis, with payments to be on a \$/MWh basis, subject to any quantity caps, with the offshore wind developer responsible for any cost overruns. Ratepayers will not be responsible for any cost overruns and for costs associated with non-performance.
- v.** 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.
- vi.** The Board may conditionally approve an application at a lower OREC price if that OREC price would allow an applicant to satisfy the cost-benefit standards. The applicant may then accept or reject the lower OREC price.
- vii.** The OREC pricing method shall represent the calculation of the price based on the total revenue requirements of the project over a 20-year period including the cost of equipment, financing, taxes, construction, operation, and maintenance,

offset by any state or Federal tax or production credits and other subsidies or grants. The value of the electricity and related capacity payments associated with the ORECs shall not be deducted when calculating the OREC price.

viii. OREC pricing proposals shall specify:

- (1)** Total equipment, construction, operation, and maintenance costs of the project;
- (2)** Tax credits, subsidies, or grants the project will qualify for;
- (3)** Debt service costs and return on equity assumptions;
- (4)** Taxes and depreciation assumptions;
- (5)** The nameplate capacity of the project;
- (6)** The expected energy output of the project;
- (7)** The assumed capacity factor and the number of ORECs to be produced by the project; and
- (8)** The price per OREC (megawatt hours (MWh)) necessary to make the project commercially viable.

ix. The value of electric energy, capacity payments, and any other environmental attributes or other benefits shall be returned to ratepayers for the term of the OREC pricing method. 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. To the extent that the project produces energy revenues exceeding those associated with the sale of ORECs, the applicant may propose that it retain up to 25 percent of the incremental energy revenues, but not any other environmental attributes or other benefits, with the remainder to be returned to ratepayers. The annual amount of revenues from whatever source expected to be generated by the project shall be reflected in the revenue plan;

13. A timeline for the permitting, licensing and construction of the proposed offshore wind project. The proposal must specify the expected project 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;

14. A plan for interconnection, including engineering specifications and costs.

i. Applicants shall document tasks required and discuss issues associated with electrical interconnection, including the distance between the project and a suitable point to interconnect with the electrical grid. Each proposed point of interconnection shall be discussed.

ii. Land acquisition requirements, new equipment to be installed, upgrades to existing equipment required, and any feasibility studies required and the time frame for review must be identified.

iii. A detailed description of how the proposed project will address and mitigate load constraints in the electric distribution and PJM transmission system must be included for each site.

iv. The proposal must demonstrate to the greatest extent possible how the project will address current or potential future load pocket or constraint problems with the electric distribution system and the PJM transmission system.

v. The applicant shall indicate the location of transmission lines and all points of interconnection to the PJM system serving New Jersey.

vi. Applicants shall provide information to the Board for costs associated with network upgrades that flow from the project even if not directly caused by the interconnection;

15. All applicants must place a minimum of \$ 100,000 on deposit with the State to reimburse the Board for the costs of consultants and other costs associated with the review of the application.

i. Board staff will direct the applicant, if appropriate, to place an additional amount on deposit with the State, based upon the current and expected costs associated with the application review and related administrative proceedings.

ii. Failure to replenish the account to the level required by Board staff within 21 days of notification will serve to render the application incomplete and toll the time for review.

iii. Subsequent to approval of a qualified offshore wind facility, 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; and

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

(b) In considering an application for a qualified offshore wind project, submitted pursuant to (a) above, the Board shall determine that the application satisfies, at a minimum, the following conditions:

- 1.** The filing must be consistent with the New Jersey Energy Master Plan, adopted pursuant to section 12 of P.L. 1977, c. 146 (N.J.S.A. 52:27F-14), in effect at the time the Board deems the application complete;
- 2.** The cost-benefit analysis must demonstrate positive economic and environmental net benefits to the State because it is a key component of the legislation;
- 3.** The comparison of purchases of Class I RECs to out-of-State wind projects;
- 4.** An applicant's cost-benefit analysis must provide three basic types of information:
 - i.** Impacts on New Jersey ratepayers: an analysis of the potential impacts on residential and industrial ratepayers of electricity rates over the life of the project that may be caused by incorporating any State subsidy into rates;
 - ii.** Net benefits to the New Jersey economy through impacts on income, employment, wages, indirect business taxes, and output, with particular emphasis on in-State manufacturing employment; and
 - iii.** Net environmental effects of the project;
- 5.** Applicants shall show that the financing mechanism is based upon the actual electrical output of the project, and fairly balances the risks and rewards of the project between ratepayers and shareholders. Applicants shall ensure that any costs of non-performance, in either the construction or operational phase of the project, shall be borne by shareholders; and
- 6.** Applicants shall demonstrate financial integrity and sufficient access to capital to allow for a reasonable expectation of completion of construction of the project.
 - i.** Applicants shall prove that they have the financial resources to perform the proposed work, appropriate technical expertise, access to adequate facilities or the ability to get them, a good performance record and be qualified under all applicable laws and regulations.
 - ii.** Applicants shall submit audited financial statements or other evidence of adequate financial capacity to the Board in order to ensure that the project can be successfully completed as proposed.

History

HISTORY:

Amended by R.2013 d.039, effective February 19, 2013.

See: 44 N.J.R. 2102(a), 45 N.J.R. 336(a).

Rewrote (a).

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N.J.A.C. 14:8-6.6

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NJ - New Jersey Administrative Code TITLE 14. PUBLIC UTILITIES CHAPTER 8. RENEWABLE ENERGY AND ENERGY EFFICIENCY SUBCHAPTER 6. QUALIFIED OFFSHORE WIND PROJECTS

§ 14:8-6.6 Funding mechanism

(a) Once the Board has approved an offshore wind project under this subchapter, the qualified OSW project shall be funded through an Offshore Wind Renewable Energy Certificate (OREC) as set forth in this subsection and in accordance with the following fundamental principles:

1. A Board Order that approves a qualified OSW project shall be binding and enforceable on all parties referenced therein;
2. The total annual OREC allowance for a qualified OSW project, once approved by the Board, shall not be subject to reduction or modification during the term of each OREC order unless otherwise agreed to by both parties;
3. A developer of a qualified OSW project shall be eligible to receive the project's approved OREC rates and payments for 20 years subject to the terms and conditions of the Board Order;
4. Qualified OSW projects shall only be entitled to OREC revenues for megawatt hours (MWhs) actually generated over the 20-year term delineated in the Board Order, and shall have no recourse against the Board, the suppliers, the EDCs, the OREC administrator, or the ratepayers for any additional payments;
5. ORECs from a qualified offshore wind project shall have a qualification life of three years, including the year it was generated and the following two years, thus, allowing ORECs to be banked for future use; and
6. All revenues generated by an OSW project shall be returned to ratepayers.

(b) The Board Order granting approval of a qualified OSW project, pursuant to the provisions of N.J.A.C. 14:8-6.5 for designation as a qualified OSW project, shall conform to the provisions of this section and shall include, but not be limited to:

1. A commercial operations date (COD) after which ORECs may be generated, priced, sold, or otherwise attributed to the project;
2. The annual OREC allowance expressed as the total number of MWhs for which a project may be eligible to receive payment of ORECs. This amount shall be based on the total installed capacity of the project, projected capacity factor, and total number of hours of operation per year and any other factors identified by the applicant, consistent with this subchapter;
3. An OREC schedule showing the scheduled amount of ORECs that a project may submit for payment for each month of the year, with the total monthly scheduled amounts equal to the annual OREC allowance;
4. A qualified offshore wind project may not exceed the annual OREC allowance in any given year. Any unmet OREC allowances in a given year may be carried forward to the next year;
5. A requirement that the qualified OSW project comply with the standard participation agreement with the OREC administrator. The standard participation agreement and any subsequent modifications shall be developed by the OREC administrator and approved by the Board;

6. A requirement that all project revenues are refunded to ratepayers;
7. A calculated OREC surcharge for the OSW project, using the anticipated in-service or COD date, based on the OREC price of each approved OSW project multiplied by the estimated annual OREC production in MWhs and divided by the total forecasted load of EDCs plus any applicable sales tax;
8. A directive to each EDC to serve as payment agent on behalf of the suppliers in the EDC's territory;
9. A requirement that the project report annually to the OREC administrator and to the Board on actions taken by the developer to maximize production and revenues;
10. A requirement that the project reports on the policies that may be adopted by the Board to help reduce future OREC pricing and the total ratepayer impact;
11. Annual reporting requirements to ensure RPS compliance and to facilitate the OREC administrator's annual true up to ensure that all obligations have been met;
12. A fixed, flat OREC price for the proposed term or a fixed price for every contract year pursuant to this section;
13. An approved decommissioning plan; and
14. An approved plan for the OSW project, if it is not decommissioned immediately at the conclusion of the approved 20-year term of OREC funding.

(c) The Board shall direct each EDC to serve as payment agent on behalf of the suppliers in each EDC territory to facilitate the transfer of OREC funding payments from ratepayers to offshore wind developers. As payment agent, each EDC shall:

1. File with the Board a tariff no later than 180 days prior to the COD date to collect a non-bypassable OREC surcharge to be assessed as a distribution charge that will be sufficient to meet each supplier's OREC obligation;
2. Implement the ratepayer surcharge based on the Board-approved total annual OREC allowance multiplied by the OREC price, and expressed as a per kilowatt hour (kWh) charge to be collected from all ratepayers on behalf of the suppliers;
3. The amount of the OREC surcharge shall be set by the Board annually, and shall become effective on the first day of each energy year, and shall be equal to the forecast revenue requirements of all OREC purchases divided by the total of estimated sales for each EDC, and shall include all applicable taxes and fees;
4. Begin collecting the OREC surcharge four months in advance of the OSW project COD to ensure that adequate funds will be available to complete the initial OREC payment to the OSW developer;
5. Establish separate accounts for each OSW project to ensure that OREC funds for an OSW project are collected and dedicated to each OSW project individually and shall not be intermingled with any other OSW project;
6. Make monthly OREC payments to OSW developers based on the actual number of MWhs produced by the OSW project, until the total annual OREC allowance approved by the Board Order has been reached;
7. Facilitate and execute the transfer of all revenues generated by an OSW project from the OSW developer to the ratepayers as directed by this section and in accordance with N.J.S.A. 48:3-87.1;
8. Provide detailed, monthly accounting reports to the OREC administrator of all transactions, account balances, and any other information requested by the Board or the OREC administrator related to the obligations identified in this section;
9. Participate in any and all true up proceedings, to be conducted by the OREC administrator, as prescribed by the Board; and
10. File with the Board annually for recoverable charges for the administrative fees incurred as payment agent and for the OREC administrator fees.

(d) The Board shall direct the EDCs to enter into a joint contract to retain an OREC administrator. The contract shall be competitively bid to ensure the most efficient and cost competitive price for ratepayers. The OREC administrator shall:

1. Be independent of any supplier, EDC, or qualified OSW developer, affiliate, investor, and/or employee;
2. Serve as the sole administrator for accounting, compliance, invoicing, and other administrative matters related to or arising from the OREC obligations of qualified OSW facilities pursuant to OWEDA;
3. Notify the EDCs at the beginning of each energy year the total offshore wind carve-out obligation and total surcharge on ratepayers to be collected consistent with the Board Order, as well as the amount to be collected for each qualified offshore wind project and to be held in a separate account;
4. Facilitate all transactions between ratepayers, suppliers, EDCs, and OSW developers;

- 5.** Set up a PJM-EIS GATs account to facilitate the transfer of ORECs from the OSW developers to suppliers;
 - 6.** Develop a payment tracking and verification system, subject to Board approval, to track all transactions that shall account for, at a minimum:
 - i.** All payments due by EDCs on behalf of suppliers to OSW developers;
 - ii.** All project revenues from OSW developers to be refunded to ratepayers through the EDCs;
 - iii.** All project revenues held by OSW developers in a reserve account;
 - iv.** All ORECs held in PJM EIS GATs accounts for transfer from OSW developers to suppliers;
 - v.** The final retirement of all ORECs by suppliers in compliance with the RPS offshore wind carve-out;
 - vi.** Supplier load data from PJM in order to confirm each supplier's annual OREC obligation;
 - vii.** EDC load data in order to confirm each EDC's relative share of the annual OREC obligation and ratepayer surcharge;
 - viii.** OSW production data from OSW developers and PJM in order to confirm project performance and all associated revenues in the form of ORECs and project revenues;
 - ix.** All project revenues including PJM revenues paid to the project for energy, capacity and ancillary services as well as any penalties incurred by the project.
 - x.** The monthly transfer of ORECs from qualified OSW projects to a PJM-EIS GATS account managed by the OREC administrator and the transfer of all project revenues to EDCs for refund to ratepayers;
 - xi.** The transfer of ORECs on a quarterly basis via a PJM-EIS GATS account to the suppliers;
 - xii.** Receipt of payment by a qualified OSW project for its annual OREC allowance, based on actual generation and at the price and quantities established in their OREC order issued by the Board;
 - xiii.** Receipt of all project revenues by EDCs for which ratepayers are entitled to a refund;
 - xiv.** Refunds of all project revenues to ratepayers; and
 - xv.** All ORECs that have been banked by OSW developers to meet the supplier obligations in any given year;
 - 7.** Conduct a true up two times each energy year at six months and at 12 months of the energy year. The 12-month true up shall be completed and submitted to the Board no later than 90 days after the close of the energy year in accordance with this subchapter to ensure compliance with the OSW RPS and to advise the Board in a technical capacity of any necessary modification to the OSW carve-out and annual RPS percentage three years out;
 - 8.** Reasonable administrative costs related to the OREC administrator shall be recoverable by the EDCs. An accounting of such costs will be provided by the EDCs in writing on an annual basis to Board staff and Rate Counsel. Board staff and Rate Counsel shall submit any objections within 60 days; and
 - 9.** Any changes proposed by the OREC administrator to a Board-approved system shall be submitted to the Board for approval.
- (e)** Offshore wind developers, for each qualified OSW project, in addition to any other responsibilities that may be required in the Board Order, shall:
- 1.** Take all reasonable efforts and due diligence to maximize revenues from the qualified OSW project;
 - 2.** Establish and maintain a PJM-EIS GATS account to track and document the number of ORECs generated, transferred, and retired.
 - i.** The PJM-EIS GATS account shall serve as the basis of verification of the issuance of one OREC for each MWh of electricity that is generated by the qualified OSW project;
 - 3.** Account for all ORECs held in the qualified OSW project's GATS account, which shall be the sole and exclusive property of such approved project and may be transferred to the OREC administrator on behalf of suppliers at the discretion of the project owner;
 - 4.** At the end of each month, each OSW developer shall provide to the OREC administrator proof of all ORECs that were issued into their GATS account in that month;
 - 5.** At the end of each month, each OSW developer shall submit an invoice to each of the EDCs, who act as the designated payment agent for suppliers, for payment of ORECs. The monthly invoice shall detail the total number of MWhs generated by

the project that month and the number ORECs available for sale multiplied by the approved OREC price. The invoice shall also include notice of all project revenues generated that month and due to be refunded to ratepayers;

6. The OREC administrator shall be copied on, and shall approve, all monthly invoices sent to the EDCs for payment;

7. A qualified offshore wind project may submit ORECs for payment based on its actual monthly production up to the approved annual OREC allowance. It may exceed the scheduled monthly allowance in a given month, but may not exceed the annual OREC allowance in a given year;

8. A qualified offshore wind project may carry forward any unmet OREC allowances in a given month to the following month; and

9. A qualified offshore wind project may carry forward any unmet annual OREC allowance in a given year to the next year.

(f) Offshore wind developers shall be responsible for the collection and transfer of all project revenues on behalf of ratepayers as follows:

1. A qualified OSW project shall return all revenues associated with the OSW project to ratepayers;

2. All project revenues shall be held in an interest bearing account to be distributed to ratepayers as set forth under this section;

3. A qualified OSW project may hold project revenues including, but not limited to, PJM revenues, which include all revenues paid to the OSW developers by PJM for the sale of electricity, capacity, and ancillary services to the grid, for a period of three months;

4. If held, PJM revenues shall at the expiration of three months, and upon confirmation of receipt by the OSW project of OREC payment for the corresponding MWhs, then be released for refund to ratepayers on a continuing, monthly basis. Any unmet OREC obligation may be covered by the PJM revenues contingent upon at least 10 days prior notice to the OREC administrator;

5. The qualified OSW project shall provide a monthly accounting to the OREC administrator of all project revenues received, held, and distributed;

6. The OREC administrator shall verify that all project revenues not used for an approved use, are refunded to ratepayers;

7. PJM revenues shall be available for use by the qualified OSW project to:

i. Cover the monthly OREC obligation until full payment is made;

ii. Cover OREC payments during the resolution of an event of EDC default, under-payment, or non-payment by the payment agent;

iii. Upon receipt of payment for ORECs, all PJM revenues associated with the OREC are due to be paid with interest to EDCs for refund to ratepayers; and then

iv. For any purpose deemed necessary, during the period in which they are held in an interest bearing account pending payment for the related ORECs, to ensure that all qualified OSW projects receive their full approved OREC revenues on a timely basis, including, but not limited to, covering seasonal mismatches between OREC purchases and OREC production.

History

HISTORY:

New Rule, R.2019 d.009, effective February 19, 2019.

See: 50 N.J.R. 1879(a), 51 N.J.R. 219(b).

Section was "Funding mechanism (Reserved)".

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N.J.A.C. 14:8-6.7

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NJ - New Jersey Administrative Code TITLE 14. PUBLIC UTILITIES CHAPTER 8. RENEWABLE ENERGY AND ENERGY EFFICIENCY SUBCHAPTER 6. QUALIFIED OFFSHORE WIND PROJECTS

§ 14:8-6.7 Annual true up

(a) Concurrent with the RPS compliance report required by N.J.A.C. 14:8-2.11, but no sooner than October 1st following the end of each energy year, an annual true up shall be conducted by the OREC administrator, suppliers, qualified OSW projects, and EDCs, with the oversight of the Board, consisting of the following:

1. Verification of supplier OREC obligation.

i. Each supplier's total annual OREC obligation is calculated based on actual retail sales and the OSW carve-out.

ii. Suppliers shall acquire additional OREC purchases or OACP credit, as necessary, to comply with the OSW carve-out.

iii. If, during the annual true up, the Board determines that a supplier did not meet its OREC obligation, the Board shall initiate whatever action necessary to ensure compliance, in accordance with existing RPS rules.

iv. If a supplier exits the New Jersey market because of bankruptcy or any other reason, the Board shall ensure that the OREC obligation is met for any energy delivered by that supplier, and that any supplier that steps into the exiting supplier's energy delivery obligations also meets the corresponding OREC obligations or the obligation shall be equally redistributed among all suppliers in the following energy year;

2. Verification of the annual OREC allowance.

i. Each qualified OSW project's total OREC submission for the energy year is confirmed as not exceeding its annual OREC allowance under its OREC order and consistent with the projects performance. Monthly OREC allowances may be exceeded, as long as the total OREC allowance is not exceeded.

ii. If it is determined that a qualified OSW projects did not meet its annual OREC allowance, it has the opportunity to submit any ORECs from the current year or banked ORECs to make up the short fall as part of the annual true up, but has no recourse if it does not have the ORECs to provide;

3. Verification of all project revenues.

i. Qualified OSW projects shall confirm or demonstrate to the OREC administrator that all project revenues have been delivered to the EDCs, which are to be refunded to ratepayers, with appropriate exceptions.

ii. Qualified OSW projects shall immediately make up any PJM revenue shortage to the EDCs to be refunded to ratepayers, except to the extent the OSW project retained PJM revenues for an allowable use such as reserve fund;

4. When an OSW project has reached the end of its 20-year term during the energy year, the Board shall confirm that all PJM revenues associated with, or necessary for, the project ending its 20-year term have been submitted to the EDCs to be refunded to ratepayers;

5. The EDCs shall submit as part of their annual filings, the revenues received from the OSW developers as verified by the OREC administrator to be credited against the OREC surcharge for the benefit of ratepayers or otherwise credited to the ratepayers as directed by the Board. The OREC administrator shall compare these filings with the annual OREC administrator reports to ensure that all revenues due to ratepayers were provided to the EDCs and that all of those revenues have been credited to the ratepayers as directed by the Board;
6. The OREC administrator shall review and report on all OREC administrator transactions and accounts, including those that took place during the annual true up. All reports or findings of this review shall be provided to the Board, each of the EDCs, Rate Counsel, and shall be made available to the public on a website;
7. The OREC administrator, in consultation with the Board shall, at the end of the annual true up, conduct a review of the OSW carve-out and annual ratepayer surcharge amount and, if necessary, recommend adjustments to the OSW carve-out and the ratepayer surcharge;
8. All adjustments to the RPS shall be made three years in advance, if at the end of the annual true up it is determined that:
 - i. All qualified OSW projects have submitted no more than their annual OREC allowance, but have ORECs remaining; and
 - ii. All suppliers have met their OSW carve-out requirement through the purchase of ORECs. Qualified OSW projects may hold any ORECs for an additional two years or sell the ORECs for Class I RPS compliance;
9. Adjustments to the OSW purchase percentage if set too low, within 30 days following the receipt of a notice of insufficient OREC demand by the OREC administrator, EDC, or a qualified OSW project, the Board shall direct the OREC administrator to adjust the OSW purchase percentage;
10. If the OREC administrator determines that there are not enough ORECs in a given year to meet the suppliers' obligation, and there are no banked ORECs available, the OREC administrator may direct the EDCs, as the suppliers' payment agent, to make OACP payments, from the pre-collected OREC surcharge funds, to satisfy the RPS; and
11. The qualified OSW project shall retain ownership of any excess ORECs. The qualified OSW project, at its sole discretion, may use excess ORECs in either of the following ways:
 - i. Hold the excess ORECs in order to submit them to the EDC for payment in a future month or year in which the project might have a production deficit; or
 - ii. Apply the excess ORECs toward the OSW carve-out during the OREC lifetime.

History

HISTORY:

New Rule, R.2019 d.009, effective February 19, 2019.

See: 50 N.J.R. 1879(a), 51 N.J.R. 219(b).

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Attachment 6

Environmental Protection Requirements and Recommendations

Attachment 6

Environmental Protection Requirements and Recommendations

Section 3.10 of the SGD describes the elements that each Applicant must submit as part of its EPP. ***In addition to*** each of the elements listed in Section 3.10, the EPP must also include an explanation of how the Applicant will implement each of the environmental protection measures that are described in this Attachment. These environmental protection measures are intended to establish a set of baseline requirements for each Qualified Project and provide additional guidance to Applicants on additional measures that BPU encourages Applicants to employ. Qualified Projects are expected to follow the environmental protection hierarchy (avoid, minimize, mitigate) to address adverse impacts to natural resources associated with their projects. The environmental protection measures span all phases and components of a Project, including on-shore and off-shore activities, and including pre-construction surveys, construction, operation, and, as applicable, decommissioning. If any of the required minimum environmental protection measures cannot be implemented or are not applicable to the Applicant's Project, the EPP must explain why.

Where environmental protection measures are not defined for impacts or potential impacts on a specific resource type or activity, it is expected that a Qualified Project shall:

- Work collaboratively with the State, federal agencies, and other stakeholders to identify such impacts and to develop approaches that avoid impacts on the environment, biodiversity and ecosystem services;
- Where avoidance is not possible, minimize such impacts;
- When impacts are predicted to occur notwithstanding the implementation of practical avoidance and mitigation measures, rehabilitate or restore ecosystems; and
- Where significant residual impacts are predicted to remain, offset such impacts.

After the Board approves a Project as a Qualified Project, that Qualified Project shall develop an Adaptive Environmental Monitoring Plan in collaboration with the BPU, NJDEP, regional science entities, and the National Oceanic and Atmospheric Administration ("NOAA").

Qualified Projects, after Board approval, shall also develop an Adaptive Environmental Mitigation Plan. This plan will be informed through stakeholder engagement and in collaboration with the BPU, NJDEP, and regional science entities.

In collaboration with BPU and NJDEP, Qualified Projects shall establish milestones for the development and issuance of the Adaptive Environmental Monitoring Plan and Adaptive Environmental Mitigation Plan. The Adaptive Environmental Monitoring Plan and the Adaptive Environmental Mitigation Plan shall be publicly available documents.

The requirements and recommendations below are based on BOEM's [COP Guidelines](#), Attachment A, Best Management Practices ("BMPs"),¹ but incorporate updates reflecting evolving environmental protection measures since the initial development of the BOEM BMPs. These requirements and

¹ See BOEM, [Information Guidelines for a Renewable Energy Construction and Operations Plan \(COP\)](#), Version 4.0 (May 27, 2020), www.boem.gov/sites/default/files/documents/about-boem/COP%20Guidelines.pdf.

recommendations are not intended to supplant or alter the federal or state regulatory process or any other requirements under federal, state, and local permit programs.

Habitat Avoidance, Minimization, and Mitigation

The Qualified Project shall collaborate with state regulatory authorities and key stakeholders to collect data to adequately identify and characterize terrestrial and marine environments.

- Qualified Projects shall avoid locating facilities near known sensitive seafloor habitats, such as artificial reefs and other prime fishing areas, submerged aquatic vegetation, shellfish areas, and aquaculture leases to the extent practicable. Qualified Projects shall avoid anchoring on sensitive seafloor habitats to the extent practicable.
- Qualified Projects shall avoid hard-bottom habitats, where practicable, and shall restore them to their original state, if possible, and remedy any damage to these communities.
- Qualified Projects shall implement turbidity reduction measures to minimize effects to hard-bottom habitats and including seagrass communities, to the extent practicable.
- Qualified Projects shall minimize effects to seagrass by limiting vessels related to project planning, construction, and operation to established traffic routes, to the extent practicable.
- Qualified Projects shall minimize impacts to wetlands by maintaining buffers around wetlands, implementing BMPs from erosion and sediment control, and maintaining natural surface drainage patterns.

Cable Installation, Burial, and Maintenance

- To minimize the risk of exposure and entanglement, cables shall be buried to a minimum depth of 2 meters. A shallower cable burial depth may be acceptable if a [Cable Burial Risk Assessment \(CBRA\)](#) supports a burial depth less than 2 meters. If a cable cannot be buried due to resistant substrate, presence of unexploded ordinance, or crossing of a telecommunications cable, the developer shall add protective materials over the cable that minimize risk of gear entanglement. The developer shall conduct routine surveys or inspections of sub-sea cables as well as inspections following hurricanes or other major events causing disturbance to the seabed. If the surveys or inspections reveal cable damage or exposure, the developer shall mitigate the issue and restore cable burial to the standards outlined here.
- Cable installation and cable maintenance and repair buffer areas shall avoid shipwreck and artificial reef habitats as per N.J.A.C. 7:7-9.13.
- Siting of export cables shall avoid submerged vegetation habitat as per N.J.A.C 7:7-9.6.

Turbine Foundation Scour

- Qualified Projects shall reduce scouring action by ocean currents around foundations and to seafloor topography by taking all commercially reasonable measures and shall employ periodic routine inspections to ensure structural integrity.
- Qualified Projects shall assess the use of ecological enhancements for turbine scour protection to provide offsets from potential adverse impacts. Qualified Projects shall consider the biological performance of scour and concrete block mattress materials in design of the turbine foundations.

Lighting Controls

- Qualified Projects shall comply with Federal Aviation Administration and United States Coast Guard requirements for lighting in accordance with BOEM’s “[Guidelines for Lighting and Marking of Structures Supporting Renewable Energy Development](#)” and to the extent practicable shall use light technology that minimizes impacts on avian species.²
- Artificial lighting on offshore wind projects shall be reduced to the extent practicable while maintaining human safety and compliance with FAA, U.S. Coast Guard, BOEM, and other regulations.

Avian and Bat Resources

- Qualified Projects shall evaluate avian and bat use of the Project area and shall design the Project to minimize or mitigate the potential for bird and bat strikes and habitat loss.
- Permanent physical deterrents to perching shall be implemented if there is demonstrated risk at the site (e.g., perching and roosting on infrastructure is a common occurrence) and to the extent that they do not represent a human safety hazard.
- Siting and construction of nearshore and onshore project components shall be conducted in such a way as to avoid impacts to known nesting beaches of sensitive species during the breeding season, and to minimize the loss or alteration of bird and bat habitat, as well as avoid or minimize disturbance and direct and indirect effects to bird and bat populations and their prey. Nesting beaches, particularly known breeding habitat for listed species, shall be subject to timing restrictions for work done during the breeding season (typically March 1st to August 31st).
- Onshore infrastructure and development activities shall, where feasible: 1) maximize the use of previously developed or disturbed areas, and 2) avoid unique or protected habitats, as well as habitat for key species.

Noise and Acoustic Impacts

- Qualified Projects shall plan site characterization surveys by using the lowest sound levels practicable to obtain the information needed.
- Qualified Projects shall take efforts to minimize disruption and disturbance to marine life from sound emissions, such as pile driving, during construction activities.
- Qualified Projects shall employ, to the extent practicable, state-of-the-art technologies to minimize operational sound effects, as reviewed and approved by jurisdictional authorities.
- Qualified Projects shall not commence activities that generate significant noise, including geophysical survey work and impact pile driving, during poor visibility conditions such as darkness, fog and heavy rain, unless an alternative mitigation monitoring plan that does not rely on visual observation has been determined to be effective, to the extent compatible with practicality and worker safety.
- Qualified Projects shall consider the potential for sonic testing to affect fish behavior and the potential impact to fishing. Qualified Projects are encouraged to undertake innovative methods to minimize sonic and acoustic impacts during construction and operation of the Project.

Marine Mammals and Sea Turtles – Vessel Strikes

² See BOEM, [Guidelines for Lighting and Marking of Structures Supporting Renewable Energy Development](#) (April 28, 2011), <https://www.boem.gov/sites/default/files/documents/renewable-energy/2021-Lighting-and-Marking-Guidelines.pdf>.

- All activities are subject to the permitting requirements of the US Marine Mammal Protection Act³ and the US Endangered Species Act.⁴ Qualified Projects shall coordinate as soon as practically possible and often with the NOAA Protected Resources Division, Greater Atlantic Regional Fisheries Office to ensure compliance at all stages of development. Early consultation regarding pre-construction surveys is necessary to allow time for permitting.
- Vessels related to project planning, construction, and operation shall travel at reduced speeds when cetaceans are observed. Vessels also shall maintain a reasonable distance from whales, small cetaceans, and sea turtles.
- Qualified Projects shall minimize potential vessel impacts to marine mammals and sea turtles. Operators shall undergo training on applicable vessel guidelines.
- Qualified Projects shall avoid and minimize impacts to marine species and habitats in the project area by posting a qualified observer on site during construction activities. This observer shall be approved by BOEM and NMFS.
- Qualified Projects should implement state-of-the-art and innovative technologies to observe and avoid protected species during pre-construction surveys, construction, and operation of the Project.

Visual Impacts

- Qualified Projects shall use appropriate viewshed mapping, photographic and virtual simulations, computer simulation, and field inventory techniques to determine, with reasonable accuracy, the visibility of the proposed project. The viewshed impact analysis shall identify sensitive and scenic viewpoints. Qualified Projects shall identify methods to mitigate adverse viewshed impacts.

³ Marine Mammal Protection Act of 1972, 92 P.L. 522, 86 Stat. 1027 (enacted October 21, 1972).

⁴ Endangered Species Act of 1973, 93 P.L. 205, 87 Stat.884 (enacted December 28, 1973).

Attachment 7

Data Management and Availability Plan Requirements

Attachment 7

Data Management and Availability Plan Requirements

Sections 3.10 and 3.11 of the SGD requires Applicants to prepare a Data Management and Availability Plan covering data that are collected as part of the EPP and the FPP. The Data Management and Availability Plan shall describe data standardization, transparency, sharing, and accessibility. Standardized data collection protocols must be followed using community best practices, combined with Quality Assurance/Quality Control and reporting standards that will ensure the collection of high-quality data that can be aggregated for larger-scale analyses. The Data Management and Availability Plan must include a catalog listing the data expected to be collected over the duration of the Project. Understanding that in the Project planning phase, much of the information about data acquisition may not yet be known, or may eventually change as a result of field conditions, adoption of new technologies, *etc.*, the following information shall be included in the Data Management and Availability Plan to the extent that it is known at the time of Application submission:

- List of geographic locations of sampling points and a polygon depicting the overall footprint of data collection for the Project;
- Frequency and timeline for each dataset's collection;
- Comprehensive metadata using the Federal Geographic Data Committee standards, or others, as appropriate; and
- Identification of the public data repository where each dataset will be or has been stored and prospective or actual date of upload.

Qualified Projects shall update the data catalogue as new information becomes available, but at a minimum with each annual environmental report submitted by the Qualified Project, and make it available to the NJBPU, the NJDEP, and other regional entities as directed by NJBPU and/or NJDEP.

To facilitate transparency and sharing of non-proprietary environmental data, the Data Management and Availability Plan shall detail how baseline and monitoring site and environmental data listed in the catalog will be made available to the NJBPU and NJDEP on an ongoing basis as soon after collection as is practicable, but no later than the public release of the Bureau of Ocean Energy Management Construction and Operations Plan. The Data Management and Availability Plan shall identify the federal, regional, and state data repositories that are expected to be the destination for all Site and Environmental Data included under this plan. Applicants are advised to refer to "[Wildlife Data Standardization and Sharing: Environmental Data Transparency for New York State Offshore Wind Energy](#)" prepared by the Biodiversity Research Institute on behalf of the New York State Energy Research and Development Authority ("NYSERDA") for a list of candidate data repositories ("NYSERDA Report").¹

¹ See NYSERDA, [Wildlife Data Standardization and Sharing: Environmental Data Transparency for New York State Offshore Wind Energy, Report No. 21-11 \(May 2021\), <https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/Offshore-Wind/21-11-Wildlife-Data-Standardization-and-Sharing-Environmental-Data-Transparency-for-NYS-OSW-Energy.pdf>](#).

Data typically classified as proprietary, such as metocean data and geophysical/geotechnical data, will not be considered “site and environmental data,” as required in the NYSERDA Report, for purposes of this requirement. However, non-proprietary site and environmental data shall be made available according to best practices (e.g., down-sampled surficial geophysical data, including multibeam bathymetry and side scan sonar backscatter data).

Attachment 8

Offshore Wind Infrastructure Monitoring Plan Requirements

Attachment 8

Offshore Wind Infrastructure Monitoring Plan Requirements

The Applicant shall develop a 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.

- This plan for co-located monitoring equipment must identify and describe the incremental investment and implementation plan to incorporate and integrate multiple sensors, platforms, and data systems on offshore wind infrastructure. The plan must articulate how the monitoring will align with the New Jersey RMI and regional research objectives, including contributing to:
 - Environmental and ecological baseline and monitoring frameworks;
 - Understanding changes to marine resources from established baselines during the construction and operation of wind turbines; and
 - Integration of existing and novel scientific approaches and platforms.
- The plan shall consider the entire footprint of the Project including wind farm area, cable routes, landfall locations, and upland routes, and shall address how implementation of the plan will inform outstanding questions related to and reduce impacts associated with wind farm construction and operation.
- The plan shall align with the Data Management and Availability plan as described in Attachment 7.
- The plan shall describe how the applicant will work collaboratively with and leverage relevant work from federal, state, academic institutions, other ocean user groups, developers of other wind farm projects in the region, and regional science entities to develop and implement the plan.
- The Applicant is encouraged to review the resources posted to the Solicitation Documents page of the BPU's Solicitation Website in the development of their plan.¹

¹ See BPU, Fourth New Jersey Offshore Wind Solicitation Documents, <https://bpuoffshorewind.nj.gov/fourth-solicitation/solicitation-documents>.

Attachment 9

Fisheries Protection Requirements and Recommendations

Attachment 9

Fisheries Protection Requirements and Recommendations

Qualified Projects are expected to follow the protection hierarchy (avoid, minimize, mitigate) to address adverse impacts to fisheries resources associated with their projects. Section 3.11 of the SGD describes the elements that each Applicant must submit as part of its FPP. ***In addition to*** each of the elements listed in Section 3.11, the FPP must also include an explanation of how the Applicant will implement each of the fisheries protection measures that are described in this Attachment. These fisheries protection measures are intended to establish a set of baseline requirements that are required of each Qualified Project and provide guidance to developers on additional measures BPU encourages Applicants to employ. The fisheries protection measures span all phases and components of a Project, including onshore and offshore activities, and including pre-construction surveys, construction, operation, and, as applicable, decommissioning. If any of the required minimum fisheries protection measures cannot be implemented or are not applicable to the Applicant's Project, the FPP must explain why.

Where protection measures are not defined for a specific resource type or activity, it is expected that the Qualified Project shall:

- Work collaboratively with the State, federal agencies, and other stakeholders to identify such impacts and to develop approaches that avoid impacts on biodiversity and ecosystem services;
- Where avoidance is not possible, minimize such impacts;
- When impacts are predicted to occur notwithstanding the implementation of practical avoidance and mitigation measures, rehabilitate or restore ecosystems; and
- Where significant residual impacts are predicted to remain, offset such impacts.

The requirements and recommendations below are based on BOEM's [COP Guidelines](#), Attachment A, Best Management Practices ("BMPs"),¹ but incorporate updates reflecting evolving fisheries protection measures since the initial development of the BOEM BMPs. These requirements and recommendations are not intended to supplant or alter the federal or state regulatory process or any other requirements under federal, state, and local permit programs.

Qualified Projects, after Board approval, shall develop an Adaptive Fisheries Monitoring Plan. The Adaptive Fisheries Monitoring Plan shall be informed by collaboration with BPU, the NJDEP, NOAA Fisheries, and regional science entities, to detect impacts to marine fisheries.

Qualified Projects, after Board approval, shall also develop an Adaptive Fisheries Mitigation Plan. This plan will be informed through input from stakeholders and in collaboration with the BPU, NJDEP, NOAA Fisheries, and regional science entities.

In collaboration with BPU and NJDEP, Qualified Projects shall establish milestones for the development and issuance of the Adaptive Fisheries Monitoring Plan and Adaptive Fisheries Mitigation Plan. The

¹ See BOEM, [Information Guidelines for a Renewable Energy Construction and Operations Plan \(COP\)](#), Version 4.0 (May 27, 2020), www.boem.gov/sites/default/files/documents/about-boem/COP%20Guidelines.pdf

Adaptive Fisheries Monitoring Plan and the Adaptive Fisheries Mitigation Plan shall be publicly available documents.

Fish Resources and Essential Fish Habitat

- The Qualified Project shall collect data to adequately identify and characterize Essential Fish Habitat, following recommendations in the NOAA publication, “[Information Needs to Assess Essential Fish Habitat Impacts from Offshore Wind Energy Projects Along the U.S. Atlantic](#)” (September 2021), and any subsequent updates.²
- Qualified Projects shall also follow the recommended steps for mapping seafloor habitat in NOAA’s “[Recommendations for Mapping Fish Habitat](#),”³ and any subsequent updates, to ensure that the information collected is sufficient for BOEM to meet the requirements for the Essential Fish Habitat consultation under the Magnuson-Stevens Fishery Conservation and Management Act.⁴

Conflicting Use Avoidance, Minimization, and Mitigation

- Qualified Projects shall actively engage with fishing communities to ensure that Project design maximizes safe access to fisheries to the extent feasible.
- The Qualified Project shall consult with the fishing industry, preferably through regional fisheries groups to inform siting (of turbines, substations, and interarray and export cable routes) and regarding navigational safety and risk management, transit routes, and employment opportunities to displaced fishers (e.g., use of fishing vessels for survey work). Additionally, Qualified Projects shall seek opportunities to collaborate with the fishing community on projects of mutual benefit.
- Qualified Projects shall collaborate with New Jersey’s fishing industry, preferably through regional fisheries groups, to review their Fisheries Communication Plan and supplement it as needed to ensure that it is sufficient to facilitate effective engagement at all stages of project development. The Fisheries Communication Plan shall include engagement with the United States Regional Fishery Management Councils.⁵ The Fisheries Communication Plan shall be a publicly available document.
- Qualified Projects shall consult and cooperate with stakeholders identified in the Fisheries Communication Plan to develop a Fisheries Mitigation Plan. The Fisheries Mitigation Plan shall include consideration of safety concerns and recommendations from the U.S. Coast Guard and industry recommended safety measures (e.g., mitigation of radar interference, Automatic Identification System (“AIS”) transmitters at turbine locations, and Wi-Fi or cell phone and other technical approaches to improving communication at sea).

Fisheries Compensation

² Further information may be found at <https://www.fisheries.noaa.gov/new-england-mid-atlantic/aquaculture/information-needs-assess-essential-fish-habitat-impacts>.

³ NOAA, Letter from Louis A. Chiarella to Michelle Morin, BOEM Office of Renewable Energy Programs, re: Updated Recommendations for Mapping Fish Habitat (March 29, 2021).

⁴ Fishery Conservation and Management Act of 1976, 94 P.L. 265, 90 Stat. 331 (enacted April 13, 1976).

⁵ See U.S. Regional Fishery Management Councils, <http://www.fisherycouncils.org>.

- Qualified Projects shall develop and implement a program for addressing damage to or loss of gear, vessels, and income from interactions with offshore wind surveying, construction, operation, or decommissioning activities or structures. In developing the program, the Qualified Project shall follow the “Compensation for Gear Loss and Damage” section of BOEM’s “Guidelines for Mitigating Impacts to Commercial and Recreational Fisheries on the Outer Continental Shelf”⁶ and consult the commercial fishing industry and other leaseholders to ensure consistency, fairness, and accessibility in substantiating losses, filing claims, mediation, and reimbursement.
- New Jersey is one of eleven (11) states on the East Coast that encouraged BOEM to develop Draft Guidelines for Mitigating Impacts to Commercial and Recreational Fisheries on the Outer Continental Shelf. These 11 states, along with other stakeholders, are collaborating to develop a detailed description of the need for, design, and development of a Regional Fund Administrator (“RFA”) and claims process for an Offshore Wind Mitigation Fund.⁷ Qualified Projects shall address compensation to commercial and recreational fisheries by, at a minimum, following BOEM’s Guidelines for Mitigating Impacts to Commercial and Recreational Fisheries on the Outer Continental Shelf.⁶ Qualified Projects shall also address how they will participate in the claims process consistent with the goals of the collaborating states.
- Qualified Projects shall perform a thorough review of the information needed and available to assess the full economic value of the commercial and recreational fisheries that operate in the Project area. At a minimum, the review shall reference fisheries data summarizing fishing activity from 2008-2021 within each offshore wind lease area available from NOAA Fishery Footprints.⁸ This review shall include information needed to assess both direct effects on fisheries (e.g., potential loss of harvest and landing revenue) and indirect effects on shoreside markets and support industries. Shoreside industries may include docks, suppliers (e.g., gear, fuel, repairs), processing facilities, shipping, tourism, and other businesses that rely on marine fisheries. The review shall also consider the information needed to understand potential impacts to port cities, identification of underserved communities in our working waterfronts, potential cumulative impacts from full build out of existing lease areas, and the potential for permanent losses of fisheries infrastructure (e.g., fish processing facilities, marinas) that may result from incremental losses in access over time. The review shall include consultation with fisheries managers, fisheries economist(s), representatives of the commercial and recreational fishing industries, and other experts, as well as a thorough review of scientific and industry publications, to the extent practicable.
- Qualified Projects shall work with state, federal, and fishing industry representatives to identify the most appropriate entity for administration of fisheries mitigation funds and shall continue to participate in a resulting regional compensation program if recommended by New Jersey.

⁶ BOEM’s Guidelines for Mitigating Impacts to Commercial and Recreational Fisheries on the Outer Continental Shelf are in draft form as of issuance of this SGD. (https://www.boem.gov/sites/default/files/documents/renewable-energy/DRAFT%20Fisheries%20Mitigation%20Guidance%2006232022_0.pdf).

⁷ See NYSERDA, [Regional Fund Administrator for an Offshore Wind Fisheries Mitigation Fund \(RFP 5554\)](https://portal.nyseda.ny.gov/CORE_Solicitation_Detail_Page?SolicitationId=a0r8z000000GKKB), https://portal.nyseda.ny.gov/CORE_Solicitation_Detail_Page?SolicitationId=a0r8z000000GKKB.

⁸ See NOAA, [Socioeconomic Impacts of Atlantic Offshore Wind Development](https://www.fisheries.noaa.gov/resource/data/socioeconomic-impacts-atlantic-offshore-wind-development), <https://www.fisheries.noaa.gov/resource/data/socioeconomic-impacts-atlantic-offshore-wind-development>.

Qualified Projects shall consider mitigation of fisheries impacts at all stages of development through direct partnership with commercial fishing industry members.

Attachment 10

Offshore Transmission Network Preparation Requirements

Attachment 10

Offshore Transmission Network Preparation Requirements

This attachment covers technical parameters that Applicants should follow in order to have their proposed offshore wind Project(s) ready for development of a potential future offshore transmission network (“OTN”). The OTN reflects the potential future connection of multiple offshore wind offshore platforms (“OSPs”) to allow power transfers between OSPs and ultimately onshore POIs. The POIs may be in New Jersey, in other mid-Atlantic states, and, perhaps, downstate New York. The OTN preparation requirements set forth herein are intended to enable Qualified Projects approved in the Fourth Solicitation to connect to a future OTN in order to improve economic performance while minimizing future incremental costs and promoting environmental and grid resilience objectives. Operation and implementation of the OTN are not known at this time and therefore not addressed herein.

The costs related to OTN equipment and implementation should not be included in the OREC Purchase Price offered in this solicitation. Qualified Projects would connect to an OTN in the future only if so ordered or approved by the Board. At that time, additional pricing considerations related to OTN equipment and other factors will be established by the Board. OTN implementation may occur with or after COD. If OTN implementation occurs later than COD, the price adjustment associated with installing and operating the OTN equipment will be applied over the remaining OREC term. The timing of installing the OTN Ready platform space is at the developer’s discretion, but there will not be a later pricing adjustment related to constructing the additional platform space if OTN implementation occurs.

List of Acronyms and Defined Terms

Offshore Platform (“OSP”), the platform anchored to the seabed that is used to house Qualified Project collection and HVDC transmission equipment, auxiliary power supplies, submarine cable connections, and related protection, control, monitoring, and communication equipment.

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

OTN Ready, involves the reservation of space on Qualified Projects’ OSPs to accommodate future additions of OTN tie cables and operation.

Background

Qualified Projects approved by the Board in the Fourth Solicitation will be connected to the onshore AC transmission system via individual radially-connected HVDC or HVAC cable systems. The radial HVDC-based systems will be designed to transmit offshore wind power from offshore collection and converter station platforms to the Larrabee Collector Station or another POI on the onshore AC transmission system.

In addition to including one or more Projects with a radial HVDC connection to the onshore grid that are not OTN Ready, Applicants submitting HVDC Projects in the Fourth Solicitation may submit a Project option that is OTN Ready. OTN Readiness is limited to the reservation of space on Qualified Projects’ OSPs to accommodate future installation of equipment (i.e. additions of OTN tie cables and operation).

The Fourth Solicitation OTN concept does not entail installation of OTN equipment. HVAC Projects submitted in the Fourth Solicitation shall not be OTN Ready.

Since OTN implementation is years away, it is reasonable to envision a future system based not only on Qualified Projects as currently planned, but also on how transmission and offshore wind generation technology may evolve. This requires envisioning a future system based on today's knowledge of offshore wind generation and HVDC transmission technologies. "Future proofing" the OTN to contemplate technology progress should therefore affect an Applicant's identification of platform space to support the OTN. Basic OTN characteristics include the selection of technology, voltage and power levels, and related equipment based on an assumed operating configuration. In this Attachment, Board Staff provides Applicants with general OTN design criteria to inform the minimum amount of additional platform space to enable an OTN Ready Project to connect to an OTN in the future. Applicants may incorporate other design criteria oriented around additional platform space in accordance with future proofing the OTN.

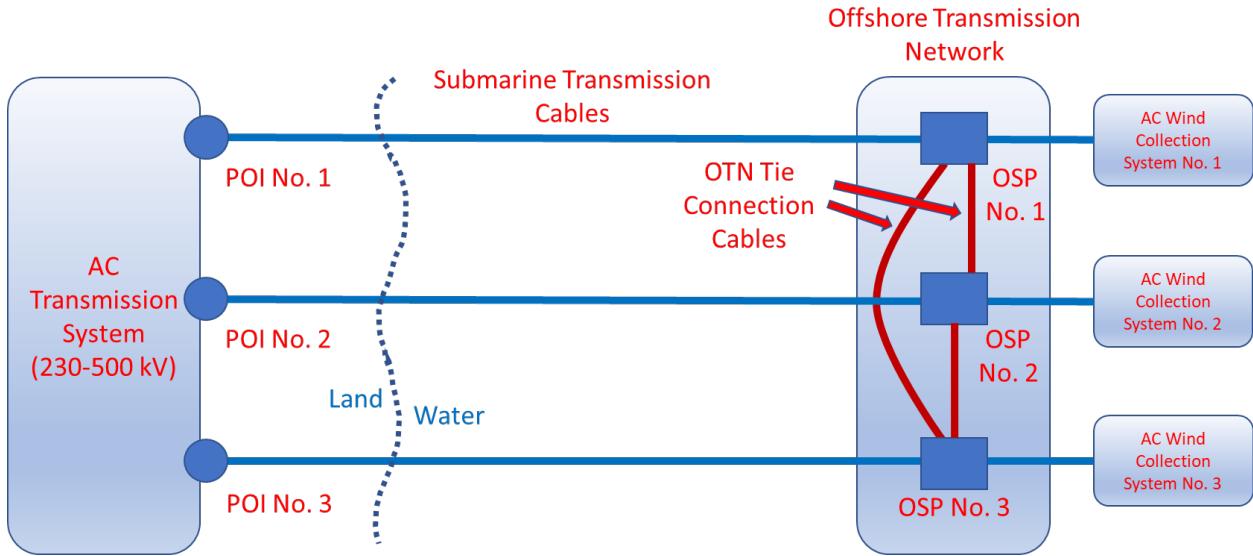
Projects submitted in the Fourth Solicitation are not required to include implementation of any aspect of an OTN other than the requirement to reserve OSP space set forth herein. The inclusion of additional space on OSPs to enable future OTN equipment is required by the Board for HVDC Projects as part of the Fourth Solicitation. The basic specifications herein should be followed in estimating the required space for a Project to be OTN Ready.

An Applicant's OTN Ready design is required to meet the minimum requirements stated in this Attachment. Some amount of design variation among Applicants is expected.

If a Qualified Project connects to an OTN in the future, additional equipment will need to be added to the OSP, which may include, but is not limited to HVDC converters, AC collection system switchgear and related equipment, and associated protection, control, communications, and monitoring systems. Applicants are free to include additional platform space beyond the minimum required to meet the design criteria stated herein, in which case the Board requests the identification of the associated assumptions where they differ significantly from the general OTN design criteria set forth herein.

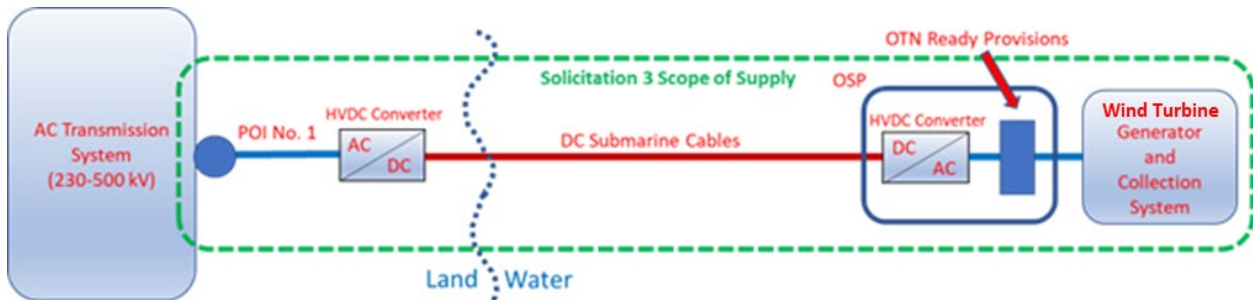
In the future, Qualified Projects may need to install AC equipment to facilitate at least two (2) connections to other offshore wind OSPs with related equipment rated at least 400 MW in order to connect to an OTN. Figure A10-1 provides an illustrative OTN concept configuration linking Qualified Project OSPs in multiple directions, providing two (2) additional generation outlets in addition to the radial HVDC connection.

Figure A10-1. OTN Concept Linking Three Offshore Wind Projects



The placement of the OTN Ready provisions in the overall scope of the transmission system is shown in Figure A10-2.

Figure A10-2. OTN Ready Scope



OTN Ready Basic Specifications

Board Staff has developed the following OTN Ready requirements based on the assumption that Qualified Projects’ HVDC export cables will have ratings of at least 1,200 MW. In line with this preliminary design concept, an OTN is envisioned with at least the following basic specifications:

- a. Nominal operating voltage: 230 kV AC
- b. Nominal frequency: 60 Hz
- c. OTN tie cable continuous power transfer capability: At least 400 MW
- d. Number of connections to adjacent OSPs: At least 2
- e. Nominal distance assumed between OSPs: 20 to 40 statute miles

The following assumptions and specifications are provided to assist Applicants in determining how much additional OSP space to include in their Project designs:

- OTN Ready projects are designed to be integrated into an overall offshore wind transmission and export system with basic configuration as shown in Figure A10-1. Note that this figure is an example showing three (3) offshore wind projects. The OTN may interconnect more offshore wind projects depending on locations, power capabilities, and POIs.
- The design of each OSP should include space and provisions for future installation of all equipment needed for integration of the OTN. This includes spatial, operational, weight, maintenance, and equipment removal/replacement considerations.
- The OTN's configuration and circuit breaker arrangements should be in accordance with Good Utility Practice.

Interconnection Plan Requirements Related to OTN-Ready Design

The following information must be included in the Interconnection Plan submitted as part of the Application in accordance with Section 3.13 of the SGD:

- Applicants are required to confirm that their Project designs will accommodate the requirements described above in order to enable a Qualified Project to connect to an OTN.
- Applicants are required to identify how much additional OSP space has been allocated for potential future installation of equipment related to OTN implementation.
- Applicants must affirm that the additional OSP space will be reserved for this use.

Attachment 11

New Jersey Wind Port Prospectus



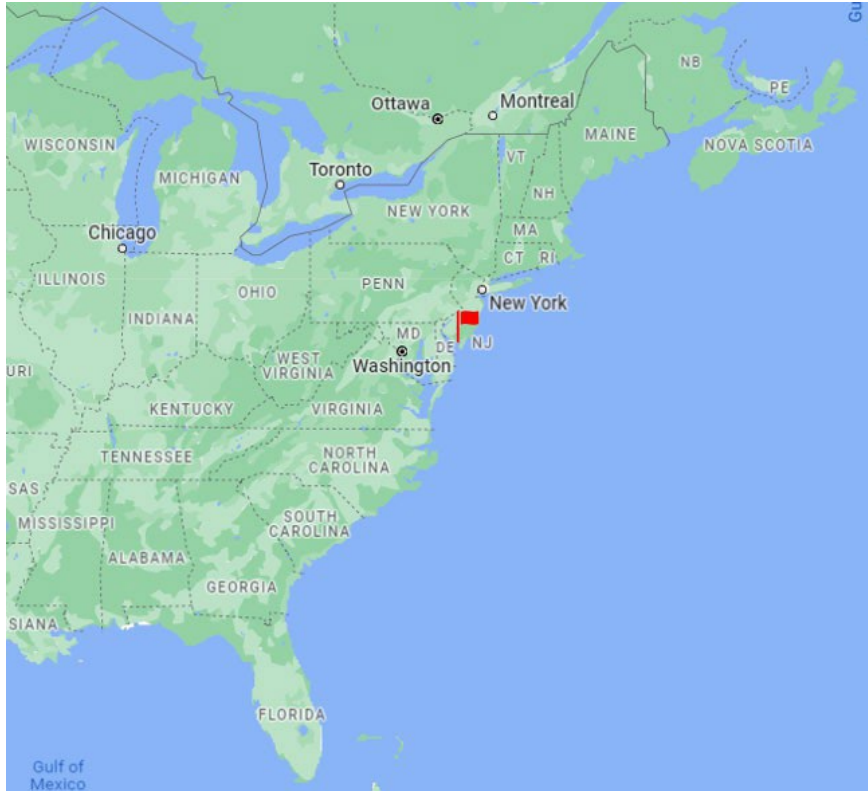
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
NEW JERSEY WIND PORT PROSPECTUS

SUMMARY

About the New Jersey Wind Port

The New Jersey Economic Development Authority (NJEDA), an independent authority of the State of New Jersey, is developing the New Jersey Wind Port (NJWP) on behalf of the State. The NJWP is the nation's first greenfield wind port, being designed, built and operated exclusively for offshore wind marshalling and Tier 1 turbine component manufacturing.

Situated on the eastern shore of the Delaware River in Lower Alloways Creek, Salem County, the NJWP is located at the geographical center of the East Coast wind belt.



Free of vertical restrictions and with a developable footprint of over 220 acres, the NJWP is one of only a handful of East Coast ports with capacity to accommodate marshalling as well as Tier 1 turbine component manufacturing. This co-location enables offshore wind developers and manufacturers to lower costs through avoided double handling, to the benefit of the industry and in-turn energy ratepayers. In addition to supporting the delivery of New Jersey's own 11 GW pipeline, the NJWP will serve wind projects across the Eastern Seaboard. At full scale it is anticipated that the NJWP will support the marshalling of two offshore wind projects concurrently and will house several Tier 1 turbine component manufacturers. NJEDA expects the NJWP to create up to 1,500 ongoing manufacturing, stevedoring and other port operations jobs.

Phased Development

The NJWP is being developed in phases. Phase 1 construction commenced in 2021 and is comprised of:

- An approximately 30–35-acre property and adjacent wharf infrastructure purpose-built for marshalling (i.e., wind turbine staging, final assembly, and transport) (Parcel A);
- A dredged access channel from the NJWP to the main Delaware River shipping channel, as well as berth pockets and a turning basin able to accommodate jack-up installation vessels and other turbine installation and delivery vessels;
- Two inland Tier 1 turbine component manufacturing Parcels (Parcels C and G), connected to the wharf via a heavy-haul road corridor purpose-built for moving components such as nacelles and towers;
- An approximately 25-acre confined disposal facility (CDF) for dredge material management (Parcel E);
- An approximately 4-acre property for general port administration and parking (Parcel D); and
- On-site utility infrastructure and grid connections.

Phase 2 of the project, which is currently at an early design stage, will comprise:

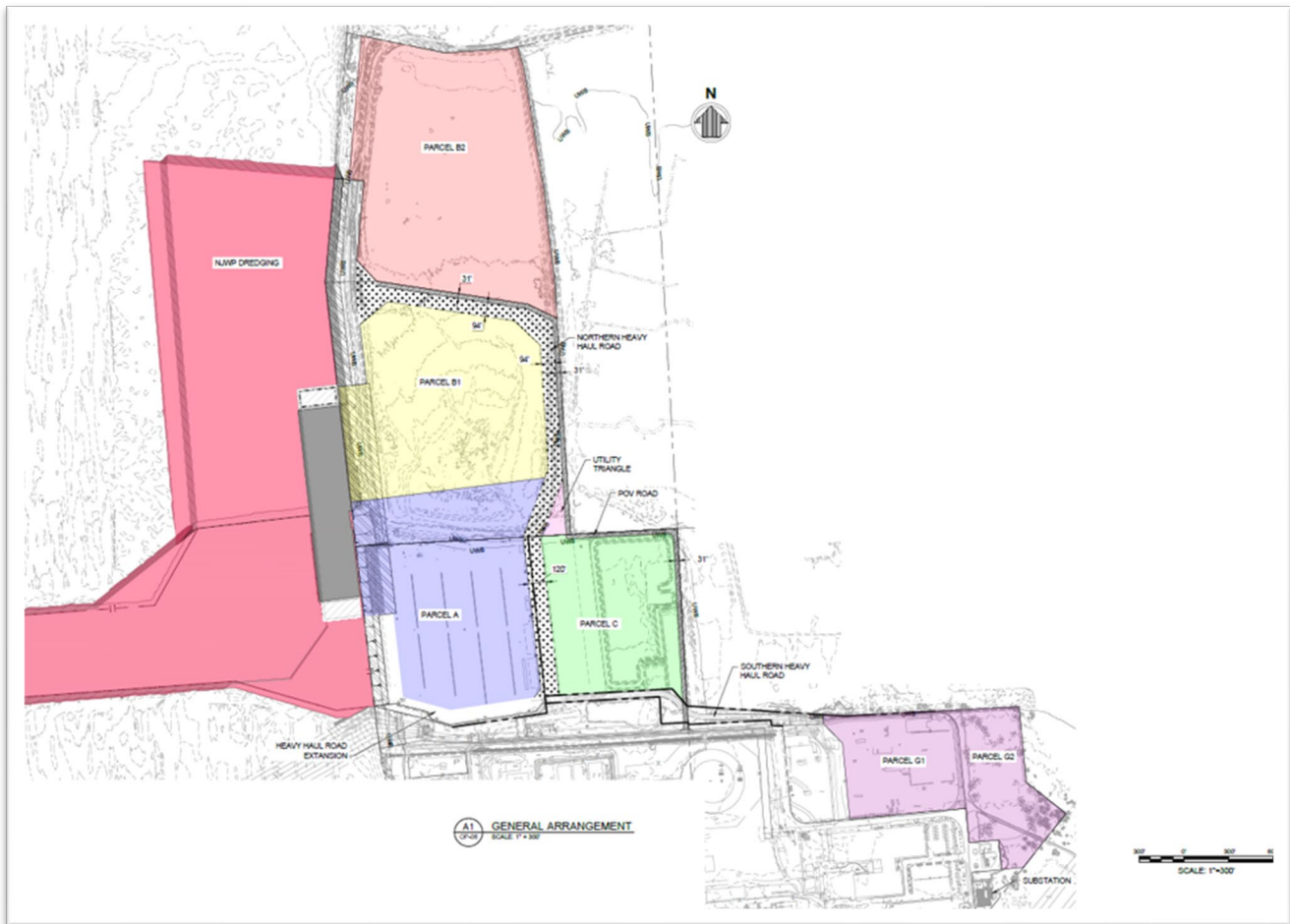
- An approximately 30-35-acre property and adjacent wharf infrastructure purpose-built for marshalling with dredged berth pockets (Parcel B1);
- An approximately 46-56-acre property purpose-built for Tier 1 turbine component manufacturing, as well as adjacent wharf infrastructure and dredged berth pocket (Parcel B2), with the potential to be further expanded;¹
- On-site utility infrastructure; and
- Heavy-haul road corridors connecting Parcels and shared wharves.

Parcel A is approximately 95 percent complete as of Q1 2024, and is targeted to achieve 100% completion in Q2 of 2024. The balance of Phase 1 (Parcels C, G, E and D) is currently targeted to come online over the course of 2025 through 2027. Phase 2 construction has begun as well, with a target completion date to be determined based on demand. Figure 1 further details each parcel.

In July 2021, NJEDA contracted with AECOM Tishman to undertake construction pursuant to a Construction Manager at Risk (CMAR) delivery method following a publicly advertised, competitive bid process. NJEDA's engineer of record on the project is Moffatt & Nichol (M&N). WSP USA is serving as owner's representative and AKRF as permitting advisor.

¹Based on current land owned by NJEDA, Parcel B2 has an approximate size of 46-56 acres. Should NJEDA be able to secure additional land to the immediate north, which is currently owned by the US Army Corp of Engineers (USACE), there is potential to increase Parcel B2 above its current size limit.

Figure 1 – NJWP Development Parcels



Note: Port layout is indicative. Final layout is subject to change dependent upon commercial targets and requirement.

Site Selection & Site Control

In 2019, the New Jersey Board of Public Utilities (NJBPUB) commissioned an assessment of the State's current port inventory and expansion opportunities as an input to the development of the State's Offshore Wind Strategic Plan (OWSP). This assessment, undertaken by Ramboll, included 38 in-state properties which were evaluated using the following screening criteria:

- Waterfront access
- Size of the property
- Depth of the existing berth
- Depth of the nearby navigational channel
- Air draft (i.e., bridge height limitations)
- Availability for future development as an offshore wind port

After a two-stage screening process, 13 properties were short-listed for further technical assessment, including analysis of the potential cost to redevelop/develop for offshore wind use. Of this short-list only two sites, Lower Alloways Creek and the Werner Generating Station (in South Amboy), were found to be free of vertical restrictions and therefore viable for marshalling using a conventional jack-up installation method. NJEDA commissioned McKinsey & Co. to further assess the economic and

financial viability of the two sites, with this assessment underpinning NJEDA's decision to site the NJWP at Lower Alloways Creek. Specific decision factors included:

- A larger developable acreage allowing for co-location of marshalling and manufacturing;
- A single landowner (PSEG) at the site versus multiple in the case of other sites;
- Site condition (greenfield site/no need for active remediation) and project readiness; and
- Distance from residential areas and associated reduced risk of community impact.

In September 2021, the Authority executed a Ground Lease with PSEG Nuclear for approximately 121 acres comprising Parcels A, C, G, D and E. In July 2022, the Authority purchased 110 acres of land from PSEG Nuclear which is contiguous to the northern edge of the leased premises, bringing the Port's total footprint to over 220 acres. Phase 2 (Parcels B1 and B2) will be sited on the Authority-owned property. The Authority has a road access easement agreement with PSEG Nuclear providing it and its subtenants with a right of egress/ingress to the leased and Authority-owned property.

All requisite permits have been secured for Parcel A's development. State permits for the balance of Phase 1 Parcels were issued June 1, 2023, and for Phase 2 on October 11, 2023. Federal permits for a portion of Phase 1 and for all of Phase 2 are pending, and the Authority is targeting attainment of the permits by the end of 2024.

Project Funding

NJEDA has secured \$637.6 million in state funding for the project to date. NJEDA is currently evaluating potential additional sources of funding and financing with a decision expected to be made later this year.

Port Operations

NJEDA intends to contract with a third-party facilities manager and port operator to perform certain of the above landlord functions via a publicly advertised, competitive bid process. The precise allocation of operational responsibilities between NJEDA and tenants will be resolved through negotiations with prospective tenants following the submission and scoring of non-binding offers. However, NJEDA anticipates that its responsibilities will closely align with its role as a port landlord and asset owner with tenant responsibilities reflecting their direct control of component movement into/out of and around the Port. Anticipated NJEDA responsibilities include, but are not limited to:

- Coordination of berth and common infrastructure (e.g., heavy haul roads) use between tenants/subtenants;
- Maintenance dredging to preserve the access channel and berths;
- Maintenance of core assets including the wharf and adjacent heavy lift areas, heavy-haul and access roads, as well as other common areas;
- Power, water and sewer hook-up provision;
- Supervision of common areas to ensure operability; and
- Maintenance of perimeter fencing and security systems for common areas.

PARCEL SPECIFICATIONS & AVAILABILITY

At full scale, it is anticipated that the NJWP will support the marshalling of two wind projects concurrently and house multiple Tier 1 component manufacturers. Figure 2 below details the intended use, anticipated development timing as of 1Q 2024, and technical specifications for each operational parcel.

Additional information about the NJWP is available at: <https://www.nj.gov/windport/>

Figure 2 – Parcel Specifications

Parcel	Intended Use	Acres	Specifications (per designs/ concepts)*	Development Status		
				Permits	Design	Construction
A	Marshalling	30 - 35 ¹	Minimum 1,080 linear feet wharf, plus 265 linear feet area (1 breasting dolphin and 2 mooring dolphins) to comprise delivery and install berths. Bearing > 6,000 psf. floor loading capacity. Backlands ground bearing capacity > 3,000 psf.	State and Federal permits lodged.	100% Complete.	95% complete), main sub-station (construction ~40% complete), first phase of duct bank scope commenced.
B1	Marshalling	30 - 35	Minimum 1,080 linear feet wharf comprising delivery and install berths. Bearing > 6,000 psf. floor loading capacity. Backlands ground bearing capacity > 3,000 psf.	State permits in full, Federal permit pending for portion of parcel, application being submitted for dredging with Corps.	60% Complete (wharf terminal package).	Earthwork Stage 1 commenced in Q4 2023.
G	Manufacturing	23	Backlands > 3,000 psf. ground bearing capacity.	Full State permits for earthwork and site work. Expanding state permit for useable sewage service area permitting (DEP).	30% complete.	Construction anticipated to commence in Q4 2024.
C	Manufacturing	20	Backlands > 3,000 psf. ground bearing capacity.	Full State permits for earthwork and site work received. Portion of C pending Federal permits (expected by Q4 2024).	30% complete.	Earthwork underway, commenced in 2023.
B2	Manufacturing	46-56 ²	Backlands > 3000 psf. ground bearing capacity. ³	State permits in full, Federal permit pending for portion of parcel, application being submitted for dredging with Corps.	Feasibility study 15% complete.	Construction of earthworks is anticipated to begin on/after Q1 2026.
East to West Access Roadway	Common Area	N/A	Heavy-haul road reequipments.	Permits received.	100% complete.	Phase 1 commenced in 2024. Phase 2 slated for 2025

Note: Except for Parcel, A, technical specifications are indicative only with designs currently at an early stage.

¹Parcel A’s leasable acreage shall be ~30 acres prior to April 2025, after which ~35 can be available.

² Based on current land owned by NJEDA, Parcel B2 has an approximate size of 46-56 acres. Should NJEDA be able to secure additional land to the immediate north, which is currently owned by the US Army Corp of Engineers (USACE), there is potential to increase Parcel B2 above its current size limit.

³NJEDA will finalize wharf specifications for Parcel B2 after the receipt of non-binding offers for that Parcel and in consultation with the successful lessee.

FUTURE TENANT SELECTION

Indicative Process & Timing

As the New Jersey Board of Public Utilities' (NJBPU's) continues to issue offshore wind solicitations, NJEDA continues to initiate subsequent rounds of tenant selection for the Port. To date, this process has comprised the issuance of three notices to lease/sublease inviting non-binding offers for specific acreages at NJWP. NJEDA anticipates issuing further notices for marshalling and/or manufacturing tenants consistent with market conditions and/or in alignment with NJBPU's solicitation award schedule.

NJEDA's issuance of these Notices is independent of the NJBPU solicitations, and non-binding offers submitted in response are subject to a stand-alone evaluation and scoring process run by NJEDA with approval by its Board.

For more information about any current Notices, see <https://www.njeda.gov/bidding/#REOPP>.

Anticipated Evaluation Criteria

Consistent with preceding tenant selection processes for Parcels at the NJWP, NJEDA evaluates offers to lease/sublease on the basis of four (4) criteria noting that final evaluation criteria will be included with each notice when issued:

- Job creation, which includes, amongst other factors:
 - o The number and quality of jobs;
 - o The likelihood of the Offeror's ability to meet its job targets, including a demonstrable pipeline of work that proposed use of the premises would support.
 - o The strength of an Offeror's commitment and certainty of its plans for scaling operations and jobs over the longer-term.
 - o The extent to which an Offeror's intended use aligns with the State's broader OSW job plan, as well as the State's objectives for the NJWP as a marshalling and manufacturing hub, and its broader local content and workforce development goals.
- Highest net cash return to NJEDA. In scoring the net cash return NJEDA will also consider:
 - o The risk allocation amongst NJEDA and the prospective tenant;
 - o Commercial conditions attached to an offer; and
 - o Potential costs to NJEDA in meeting an Offeror's technical requirements.
- The Offeror's relative capacity to meet the financial obligations of the proposed sublease(s). For manufacturing tenants, this also includes demonstration that the tenant has a demonstrable order book and sufficient capital to make the investment in a new facility.
- State, county, and local tax generation that the Offeror is expected to generate over the course of its proposed sublease term at the NJWP. NJEDA will determine tax generation based principally on a party's proposed job and capital expenditure estimates. Scoring of job creation for marshalling offers (relative to previous selection rounds) will include jobs that an offeror commits to create elsewhere in the State (i.e., jobs additional to those created at the NJWP directly), to the extent those jobs pertain to the same wind farm development that an offeror intends the NJWP to support.

Pricing & Lease/Sublease Tenor

Figure 3 details the commercial status of each parcel.

For marshalling leases/subleases, NJEDA intends to limit lease length to the length of time required to marshal a single project inclusive of reasonable buffer for unanticipated delays (e.g., 2-3 years) in order to preserve capacity for future wind development projects.

For manufacturing, NJEDA will seek long-term lease commitments. A 10-year minimum lease commitment will apply. Longer lease commitments will be preferred.

Exhibits A and B of this document provide detail on pricing for marshalling and manufacturing leases/subleases.

Figure 3 – Parcel Commercial Status

Parcel	Use	Commercial Activity Status	Lease Solicitation Pricing Policy
A	Marshalling	Offers to sublease are currently being sought for the period 7/1/24 through 12/31/33. NJEDA anticipates issuing a further notice for lease following the conclusion of the NJBPU's fourth wind solicitation. The leasing window, which can overlap with the current notice period, will be determined at that point based on the outcome of the current notice to lease/sublease and the timing needs of NJ4 awardees. Further to a 2021 Notice to lease property at the Port, NJEDA is in negotiations with a prospective tenant for a lease on Parcel A for an approximately 2-year sublease commencing 2027.	Mandatory base rent price floor will apply.
B1	Marshaling	Offers to sublease are currently being sought for the period 01/01/27 through 12/31/33. NJEDA anticipates issuing a further notice for lease following the conclusion of the NJBPU's fourth wind solicitation. The leasing window will be determined at that point based on the outcome of the current notice to lease/sublease and the timing needs of NJ4 awardees.	Mandatory base rent price floor will apply.
B2	Manufacturing	NJEDA anticipates issuing a notice to sublease in coming months and expects offers from Tier 1 manufacturers tied to NJBPU's third wind solicitation. Should that process not result in an executed sublease NJEDA will reissue the notice. NJEDA does not anticipate leasing all manufacturing parcels through its upcoming notice.	Indicative base rent price guidance.
G	Manufacturing	NJEDA anticipates issuing a notice to sublease in coming months and expects offers from Tier 1 manufacturers tied to NJBPU's third wind solicitation. Should that process not result in an executed sublease NJEDA will reissue the notice. NJEDA does not anticipate leasing all manufacturing parcels through its upcoming notice.	Indicative base rent price guidance.
C	Manufacturing	NJEDA anticipates issuing a notice to sublease in coming months and expects offers from Tier 1 manufacturers tied to NJBPU's third wind solicitation. Should that process not result in an executed sublease NJEDA will reissue the notice. NJEDA does not anticipate leasing all manufacturing parcels through its upcoming notice.	Indicative base rent price guidance.
D	No plans to lease at this time - parcel intended to be used for parking and administration.		
E	No plans to lease at this time - parcel use intended for dredge material management.		

FURTHER INFORMATION & SITE VISITS

Any additional questions regarding NJWP technical specifications and parcel availability should be submitted via the NJBPU Solicitation Website.

**EXHIBIT A –
MINIMUM BASE RENT FOR MARSHALLING LEASES OF PARCELS A & B1**

<u>Rent per Twelve (12) Months</u>	
Per acre (ac)	<p>\$650,000</p> <p>Note – NJEDA’s rent floor is expressed in 2024 US dollars (i.e., indexed to January 1, 2024). The floor shall be escalated annually beginning January 1, 2024, up to the commencement of the lease/sublease term, at the higher of (i) the growth of the relevant CPI (as defined below) or (ii) five percent (5%). Escalation shall be pro-rated as applicable.</p> <p>From the commencement of the lease/sublease term the rent shall be escalated at the higher of (i) the growth of the relevant CPI or (ii) five percent (5%).</p> <p>The reference CPI shall be the United States Department of Labor, Bureau of Labor Statistics "Consumer Price Index" for Urban Wage Earners and Clerical Workers (CPI-W; Series ID: CWURS12BSA0) published for Consumer Price Index, Philadelphia-Camden-Wilmington.</p>

Base Rent refers to the **mandatory minimum acceptable rent** (i.e., the price floor) excluding costs such as utilities, property taxes, repair costs and other expenses that are customarily passed through to an industrial tenant by a landlord under a triple net lease that NJEDA will be willing to accept further to a future Notice to Lease/Sublease for Parcels A and B1.

The Base Rent amount reflects a fully developed parcel including wharf infrastructure, dredging and ground strengthened uplands necessary to support marshalling activities.

The Base Rent has been calculated based on the capital costs NJEDA has incurred and expects to incur in developing to the specifications required for offshore wind marshalling, and the special-purpose nature of the NJWP (which enables developers and their manufacturing partners to derive cost savings from co-location), as well as dredge maintenance during a lease/sublease term.

A floor price ensures a level playing field for parties interested in marshalling a project at the NJWP.

**EXHIBIT B –
INDICATIVE BASE RENT FOR MANUFACTURING LEASES OF PARCELS (G, C and B2)**

<u>Rent per Twelve (12) Months</u>	
Per acre (ac)	\$230,000 Note – NJEDA’s rent floor is expressed in 2024 US dollars (i.e., indexed to January 1, 2024). The floor shall be escalated annually beginning January 1, 2024, up to the commencement of the lease/sublease term. The escalation rate will be negotiated with tenants further to a notice to lease/sublease process.

Base Rent refers to the lease price excluding costs such as utilities, property taxes, repair costs and other expenses, that are customarily passed through to an industrial tenant by a landlord under a triple net lease.

The Base Rent amount assumes a fully developed parcel including wharf infrastructure, dredging and ground strengthened uplands necessary to support Tier 1 component manufacturing inbound/outbound use but excludes any manufacturing facility foundations or building/shell.

NJEDA is providing indicative rent in recognition of the fact that there are limited U.S. data points for the leasing of property purpose-built for offshore wind component manufacturing that is co-located with offshore wind marshalling and, relatedly, in response to industry feedback that indicative rent guidance would be helpful in understanding NJEDA’s rent assumptions. The indicative Base Rent is calculated based on an assessment of relevant industrial and commercial property lease benchmarks, the capital costs NJEDA expects to incur in developing to the specifications required for offshore wind component manufacturing, and the special-purpose nature of the NJWP (which enables manufacturers to derive cost savings from co-location).

The indicative base rent is a **guide only**. NJEDA provides no assurances that an offer for an amount equal to or exceeding the price guidance, submitted further to the future issuance of a Notice to lease by NJEDA, will be successful.

Interested parties are encouraged to review available New Jersey tax credits including the Offshore Wind Tax Credit Program: <https://www.njeda.com/offshorwindtaxcredit/>

Attachment 12

Rate Counsel Non-Disclosure Agreement

Attachment 12

Rate Counsel Non-Disclosure Agreement

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

<p>IN THE MATTER OF THE OPENING OF NEW JERSEY'S FOURTH SOLICITATION FOR OFFSHORE WIND RENEWABLE ENERGY CERTIFICATE (OREC)</p>	<p>AGREEMENT OF NON-DISCLOSURE OF INFORMATION CLAIMED TO BE CONFIDENTIAL BPU DOCKET NO. QO24020109</p>
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It is hereby AGREED, as of the ____ day of _____, _____, by and between _____ ("Applicant") and the New Jersey Division of the Rate Counsel ("Rate Counsel") (collectively, "Parties"), who have agreed to execute this Agreement of Non-Disclosure of Information Claimed to be Confidential ("Agreement"), and to be bound thereby that:

WHEREAS, in connection with the above-captioned proceeding before the Board of Public Utilities ("Board"), and, in accordance with the Offshore Wind Economic Development Act ("OWEDA"), N.J.S.A. 48:3-87(d)(4) and N.J.S.A. 48:3-87.1 to -87.2, Executive Order No. 8, Executive Order No. 92, Executive Order No. 307 and the State Agreement Approach, the Board opened the application window for the fourth offshore wind ("OSW") solicitation, inviting all interested parties to submit applications for consideration.

WHEREAS, Applicant and/or another party ("Producing Party") may be requested or required to provide documents, analyses and/or other data or information regarding the subject matter of this proceeding that the Producing Party may claim constitutes or contains confidential,

proprietary or trade secret information, or which otherwise may be claimed by the Producing Party to be of a market-sensitive, competitive, confidential or proprietary nature (hereinafter sometimes referred to as "Confidential Information" or "Information Claimed to be Confidential"); and

WHEREAS, the Parties wish to enter into this Agreement to facilitate the exchange of information while recognizing that under Board regulations at N.J.A.C. 14:1-12 et seq., a request for confidential treatment shall be submitted to the Custodian who is to rule on requests made pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq., unless such information is to be kept confidential pursuant to court or administrative order (including, but not limited to, an Order by the Presiding Officer sealing the record or a portion thereof pursuant to N.J.A.C. 1:1-14.1, and the parties acknowledge that an Order by the Presiding Officer to seal the record is subject to modification by the Board), and also recognizing that a request may be made to designate any such purportedly confidential information as public through the course of this administrative proceeding; and

WHEREAS, the Parties acknowledge that unfiled discovery materials are not subject to public access under OPRA; and

WHEREAS, the Parties acknowledge that, despite each Party's best efforts to conduct a thorough pre-production review of all documents and electronically stored information ("ESI"), some work product material and/or privileged material ("protected material") may be inadvertently disclosed to another Party during the course of this proceeding; and

WHEREAS, the undersigned Parties desire to establish a mechanism to avoid waiver of privilege or any other applicable protective evidentiary doctrine as a result of the inadvertent disclosure of protected material;

NOW, THEREFORE, the Parties hereto, intending to be legally bound thereby, DO HEREBY AGREE as follows:

1. The inadvertent disclosure of any document or ESI which is subject to a legitimate claim that the document or ESI should have been withheld from disclosure as protected material shall not waive any privilege or other applicable protective doctrine for that document or ESI or for the subject matter of the inadvertently disclosed document or ESI if the Producing Party, upon becoming aware of the disclosure, promptly requests its return and takes reasonable precautions to avoid such inadvertent disclosure.

2. Except in the event that the receiving party or parties disputes the claim, any documents or ESI which the Producing Party deems to contain inadvertently disclosed protected material shall be, upon written request, promptly returned to the Producing Party or destroyed at the Producing Party's option. This includes all copies, electronic or otherwise, of any such documents or ESI. In the event that the Producing Party requests destruction, the receiving party shall provide written confirmation of compliance within thirty (30) days of such written request. In the event that the receiving party disputes the Producing Party's claim as to the protected nature of the inadvertently disclosed material, a single set of copies may be sequestered and retained by and under the control of the receiving party until such time as the Producing Party has received final determination of the issue by the Board of Public Utilities or the Presiding Officer, provided that the Board has not modified or rejected an order by the Presiding Officer.

3. Any such protected material inadvertently disclosed by the Producing Party to the receiving party pursuant to this Agreement shall be and remain the property of the Producing Party.

4. Any Information Claimed to be Confidential that the Producing Party produces to any of the other Parties in connection with the above-captioned proceeding and pursuant to the terms of this Agreement shall be specifically identified and marked by the Producing Party as Confidential Information when provided hereunder. If only portions of a document are claimed to be confidential, the producing party shall specifically identify which portions of that document are claimed to be confidential. Additionally, any such Information Claimed to be Confidential shall be provided in the form and manner prescribed by the Board's regulations at N.J.A.C. 14:1-12 et seq., unless such information is to be kept confidential pursuant to court or administrative order. However, nothing in this Agreement shall require the Producing Party to file a request with the Board's Custodian of Records for a confidentiality determination under N.J.A.C. 14:1-12 et seq. with respect to any Information Claimed to be Confidential that is provided in discovery and not filed with the Board.

5. With respect to documents identified and marked as Confidential Information, if the Producing Party's intention is that not all of the information contained therein should be given protected status, the Producing Party shall indicate which portions of such documents contain the Confidential Information in accordance with the Board's regulations at N.J.A.C. 14:1-12.2 and 12.3. Additionally, the Producing Party shall provide to all signatories of this Agreement full and complete copies of both the proposed public version and the proposed confidential version of any information for which confidential status is sought.

6. With respect to all Information Claimed to be Confidential, it is further agreed that:

- (a) Access to the documents designated as Confidential Information, and to the information contained therein, shall be limited to the Party signatories

to this Agreement and their identified attorneys, employees, and consultants whose examination of the Information Claimed to be Confidential is required for the conduct of this particular proceeding.

- (b) Recipients of Confidential Information shall not disclose the contents of the documents produced pursuant to this Agreement to any person(s) other than their identified employees and any identified experts and consultants whom they may retain in connection with this proceeding, irrespective of whether any such expert is retained specially and is not expected to testify, or is called to testify in this proceeding. All consultants or experts of any Party to this Agreement who are to receive copies of documents produced pursuant to this Agreement shall have previously executed a copy of the Acknowledgement of Agreement attached hereto as "Attachment I," which executed Acknowledgement of Agreement shall be forthwith provided to counsel for the Producing Party, with copies to Board Staff and Rate Counsel.
- (c) No other disclosure of Information Claimed to be Confidential shall be made to any person or entity except with the express written consent of the Producing Party or their counsel, or upon further determination by the Custodian, or order of the Board, the Government Records Council or of any court of competent jurisdiction that may review this matter.

7. The undersigned Parties have executed this Agreement for the exchange of Information Claimed to be Confidential only to the extent that it does not contradict or in any way restrict any applicable Agency Custodian, the Government Records Council, the Presiding

Officer, the Board, or any court of competent jurisdiction from conducting appropriate analysis and making a determination as to the confidential nature of said information, where a request is made pursuant to OPRA, N.J.S.A. 47:1A-1 et seq. Absent a determination by any applicable Custodian, Government Records Council, the Presiding Officer, the Board, or any court of competent jurisdiction that a document is to be made public, the treatment of the documents exchanged during the course of this proceeding and any subsequent appeals is to be governed by the terms of this Agreement.

8. In the absence of a decision by the Custodian, Government Records Council, the Presiding Officer, or any court of competent jurisdiction, the acceptance by the undersigned Parties of information which the Producing Party has identified and marked as Confidential Information shall not serve to create a presumption that the material is in fact entitled to any special status in these or any other proceedings. Likewise, the affidavit submitted pursuant to N.J.A.C. 14:1-12.8 shall not alone be presumed to constitute adequate proof that the Producing Party is entitled to a protective order for any of the information provided hereunder.

9. In the event that any Party seeks to use the Information Claimed to be Confidential in the course of any hearings or as part of the record of this proceeding, the Parties shall seek a determination by the trier of fact as to whether the portion of the record containing the Information Claimed to be Confidential should be placed under seal. Furthermore, if any Party wishes to challenge the Producing Party's designation of the material as Confidential Information, such Party shall provide reasonable notice to all other Parties of such challenge and the Producing Party may make a motion seeking a protective order. In the event of such challenge to the designation of material as Confidential Information, the Producing Party, as the provider of the Information Claimed to be Confidential, shall have the burden of proving that the

material is entitled to protected status. However, all Parties shall continue to treat the material as Confidential Information in accordance with the terms of this Agreement, pending resolution of the dispute as to its status by the trier of fact.

10. Confidential Information that is placed on the record of this proceeding under seal pursuant to a protective order issued by the Board, the Presiding Officer, provided that the Board has not modified or rejected an order by the Presiding Officer, or any court of competent jurisdiction shall remain with the Board under seal after the conclusion of this proceeding. If such Confidential Information is provided to appellate courts for the purposes of an appeal from this proceeding, such information shall be provided, and shall continue to remain, under seal.

11. This Agreement shall not:

- (a) Operate as an admission for any purpose that any document or information produced pursuant to this Agreement is admissible or inadmissible in any proceeding;
- (b) Prejudice in any way the right of the Parties, at any time, on notice given in accordance with the rules of the Board, to seek appropriate relief in the exercise of discretion by the Board for violation of any provision of this Agreement.

12. Within forty five (45) days of the final Board Order resolving the above-referenced proceeding, all documents, materials and other information designated as "Confidential Information," regardless of format, shall be destroyed or returned to counsel for the Producing Party. In the event that such Board Order is appealed, the documents and materials designated as "Confidential Information" shall be returned to counsel for the Producing Party or destroyed within forty-five (45) days of the conclusion of the appeal. Notwithstanding the above

return requirement, Rate Counsel may maintain in their files copies of all pleadings, briefs, transcripts, discovery and other documents, materials and information designated as "Confidential Information," regardless of format, exchanged or otherwise produced during these proceedings, provided that all such information and/or materials that contain Information Claimed to be Confidential shall remain subject to the terms of this Agreement. The Producing Party may request consultants who received Confidential Information who have not returned such material to counsel for the Producing Party as required above to certify in writing to counsel for the Producing Party that the terms of this Agreement have been met upon resolution of the proceeding.

13. The execution of this Agreement shall not prejudice the rights of any Party to seek relief from discovery under any applicable law providing relief from discovery.

14. The Parties agree that one original of this Agreement shall be created for each of the signatory parties for the convenience of all. The signature pages of each original shall be executed by the recipient and transmitted to counsel of record for **Applicant**, who shall send a copy of the fully executed document to all counsel of record. The multiple signature pages shall be regarded as, and given the same effect as, a single page executed by all Parties.

IN WITNESS THEREOF, the undersigned Parties do HEREBY AGREE to the form and execution of this Agreement.

Applicant: _____

Counsel for Applicant: _____

Signature of Counsel for Applicant: _____

DATED: _____

**BRIAN O. LIPMAN , ESQ.
DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL**

By: _____

DATED: _____, _____

ATTACHMENT I

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

<p>IN THE MATTER OF THE OPENING OF NEW JERSEY'S FOURTH SOLICITATION FOR OFFSHORE WIND RENEWABLE ENERGY CERTIFICATE (OREC)</p>	<p>AGREEMENT OF NON-DISCLOSURE OF INFORMATION CLAIMED TO BE CONFIDENTIAL BPU DOCKET NO. QO24020109</p>
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ACKNOWLEDGMENT OF AGREEMENT

The undersigned is an attorney, employee, or consultant, or expert for a party who has received, or is expected to receive, Confidential Information provided by Applicant or by another party ("Producing Party") which has been identified and marked by the Producing Party as "Confidential Information." The undersigned acknowledges receipt of the Agreement of Non-Disclosure of Information Claimed to be Confidential and agrees to be bound by the terms of the Agreement.

Dated: _____

By: _____

(Name, Title and Affiliation)

Attachment 13

Performance Guarantee Requirement

Attachment 13

Performance Guarantee Requirement

This document provides further information on the Performance Guarantee. The document is constructed to apply following the award under Solicitation 4.

On [Month] [Day], 20[Year], pursuant to the Offshore Wind Economic Development Act, N.J.S.A. 48:3-87.1, *et. seq.* (“OWEDA”), the New Jersey Board of Public Utilities (“Board” or “BPU”) issued an Order (“[Same Date as Above] Order” or “Order”) awarding [Project’s Full Name] (“Project” or [Project’s Abbreviated Name]) status as a Qualified Offshore Wind Project (“QOWP”).¹ Under OWEDA, Project, as a QOWP, holds a status enabling it to receive Offshore Wind Renewable Energy Credits (“ORECs”). Under the [Month] [Day], 20[Year] Order, as well as under the terms of the before-issued Fourth Offshore Wind Solicitation Guidance Document (“SGD”), Project must provide a Commitment Security binding the QOWP to meeting the commitments made during the Fourth Offshore Wind Solicitation process.

Project made the following commitments requiring a Commitment Security:

1. **Tier I Investment Commitment** - Providing \$[U.S. Dollar Amount] for Tier I Facility Investments.
2. **Commercial Operation Date Commitment** - Achieving a COD for the QOWP by [Month] [Day], 20[Year].
3. **Re-Bid Commitment** - Achieving a COD for the QOWP by [Month] [Day], 20[Year], as applicable to Re-Bid projects described in Section 2.6 of the SGD.

Project must submit a compliance filing within the timeframe specified in the Board Order to establish a schedule with specific dates for each of the Critical Milestones listed in Section 1 below (“Compliance Filing”). If the Project has proposed certain Critical Milestone dates, and if the Order has approved any of those dates, Project shall ensure the dates in its Compliance Filing match those in the Order. Unless otherwise noted, all amounts listed herein are in U.S. Dollars.

I. Critical Milestones

A. Tier I Investment Commitment - Critical Milestones

¹ [Name of Matter], BPU Docket No. [Insert Docket No.], Order dated [Same Date as First Listed Above] (“[Same Date as First Listed Above] Order”).

1. **Tier 1 Critical Milestone 1** - Providing at least \$[U.S. Dollar Amount], representing the funding that is at least 25% of the total funding commitment as proposed by Project and approved by the Board in the Order, on or before [Month] [Day], 20[Year] (“Tier I Critical Milestone 1 Date”).
2. **Tier 1 Critical Milestone 2** - Providing at least \$[U.S. Dollar Amount], representing the funding that is at least 50% of the total funding commitment as proposed by Project and approved by the Board in the Order, on or before [Month] [Day], 20[Year] (“Tier I Critical Milestone 2 Date”).
3. **Tier 1 Critical Milestone 3** - Providing the remaining \$[U.S. Dollar Amount], representing the balance of the Tier I funding, on or before [Month] [Day], 20[Year] (“Tier I Critical Milestone 3 Date”).

B. Commercial Operation Date Commitment – Critical Milestones

1. **Project Critical Milestone 1** – Approval of Project’s Construction and Operation Plan (“COP”) by the Bureau of Ocean Energy Management (“BOEM”) on or before [Month] [Day], 20[Year] (“BOEM COP Approval Date”).

[For the balance of this Section B, select Alternative 1 or Alternative 2 below, as applicable, based on whether the Project is constructed in phases.]

[Alternative 1, used if the Project has a single COD and is not constructed in phases:]

2. **Project Critical Milestone 2** – Achievement of the Project’s COD Commitment.

[Alternative 2, used if the Project’s COD is split into two phases:]

2. **Project Critical Milestone 2** – Achievement of Phase I COD on or before, [Month] [Day], 20[Year] (“Phase I COD Date”).
3. **Project Critical Milestone 3** – Achievement of the Project’s COD Commitment.

C. Re-Bid Commitment – Critical Milestones

1. **Re-Bid Critical Milestone 1** – Execution of a binding agreement on or before [Month] [Day], 20[Year] with the OEM supplying Project wind turbine generators.
2. **Re-Bid Critical Milestone 2** – Achievement of the Project’s COD Commitment.

The Compliance Filing must also provide Board Staff a copy of the proposed financial instrument(s) to secure the commitments, with a copy of the fully-executed version of such financial instrument(s) to be provided to Board Staff promptly upon each such instrument's execution, but in no event later than seven (7) days following such execution. As established by the SGD, the proposed financial instrument and Commitment Security may be in the form of:

- (a) one or more Parent Company Guarantee,
- (b) one or more Letters of Credit, or
- (c) upon petition and approved by the Board, another financial instrument that provides a comparable level of security as the immediately prior items.

If items these instruments – (a) and (b) above – are used for the Commitment Security, the Compliance Filing shall provide them substantially in the form as provided in Exhibit A (Form of Parent Company Guarantee) and Exhibit B (Form of Irrevocable Standby Letter of Credit) attached hereto. The Project may propose to use financial instruments in any combination, such as one or more Parent Company Guarantee combined with one or more Letters of Credit.

The Re-Bid Commitment Security must be in the form of one or more Letters of Credit, in the aggregate amount of \$100,000,000.

The Compliance Filing shall be due not less than 180 days post award. The Compliance Filing will be subject to Board approval. Once approved, the Project and any securing parties must fully execute the Commitment Securities within seven (7) days of the Board's action approving the Compliance Filing. The 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 Project shall keep Board Staff informed of the anticipated date of execution of each such commitment security or amendment, as applicable.

II. Parent Company Guarantee

Any Parent Company Guarantee must be from one of the Project's parent companies that is investment grade, meaning it has a credit rating of BBB or above from Standard and Poor's, a credit rating of BBB or above from Fitch, or a credit rating of Baa3 or above from Moody's.

Exhibit A provides a form of Parent Company Guarantee that the Board has pre-approved ("Form of Guarantee"). Project shall use such Form of Guarantee in its Compliance Filing, such that any Guarantee it submits as part of its Compliance Filing shall be substantially in the same form as the Form of Guarantee. Any material modifications the Project makes to the Form of Guarantee will require Board approval. If Project intends to allocate the cumulative amount of its guarantee to the Board ("Cumulative Guarantee Amount") among two or more of its parent companies, then the Compliance Filing must provide copies of each proposed Guarantee so that

each Guarantee is included and so that the total amount of all Guarantees when aggregated total the Cumulative Guarantee Amount and contain any modifications deemed necessary to provide security through multiple agreements.

The Form of Guarantee contains the details and mechanisms to implement the security.

III. Letter(s) of Credit

Any Letter of Credit must be from an investment-grade third-party financial guarantor, meaning an institution with a credit rating of BBB or above from Standard and Poor's, a credit rating of BBB or above from Fitch, or a credit rating of Baa3 or above from Moody's. Any Letter of Credit shall be a clean, unconditional, and irrevocable standby letter of credit in favor of the Board as beneficiary, and be issued by a United States bank, or a United States branch of a foreign bank. Any Letter(s) of Credit shall be implemented with the conditions and in the manner detailed below.

1. **Posting Date and Amounts**. Any Letter of Credit must be in a face amount that, either individually or collectively with any other Letter(s) of Credit, is equal to the full U.S. dollar amount of the applicable commitment security – accounting for any amount that is being secured by a Parent Company Guarantee or other approved financial instrument – described below. The Letter of Credit(s) may be stepped up according to the milestones described below.

A. Tier I Investment Commitment - Commitment Security for Each Critical Milestone

The full amount of the Tier I Investment Commitment Security is \$[*Cumulative Amount*] (“Tier I Amount”). Half of the Tier I Amount, \$[*Half of the Tier I Amount*], must be posted by one or more Letters of Credit on or before the earlier of the one (1) year anniversary date of the Order's effective date or sixty (60) days before prior to the Tier 1 Critical Milestone 1 Date. The balance shall be posted within the earlier of sixty (60) days prior the Tier 1 Critical Milestone 2 Date or 60 days after the Critical Milestone 1 Date.

B. Commercial Operation Date Commitment Security

The full amount of the Commercial Operation Date Commitment Security is \$[*Cumulative Amount*] (“COD Amount”). Half of the COD Amount, \$[*Half of the COD Amount*] must be posted by one or more Letters of Credit on or before [Month] [Day], 20[Year], which is the one (1) year anniversary date of the Order's effective date. The other half of the COD

Amount must be posted by one or more Letters of Credit on or before [Month] [Day], 20[Year], which is the three (3) year anniversary date of the Order's effective date.

C. Re-Bid Commitment Security

The full amount of the Re-Bid Commitment Security is \$100,000,000.

The full amount shall be posted by one or more Letters of Credit with the Compliance Filing.

2. **Achievement of Critical Milestones.** Upon achievement of a Critical Milestone the Letter(s) of Credit shall be reduced and returned as described below. Project shall promptly notify the Board when the applicable Critical Milestone is reached. 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 and automatically resets upon receipt of the requested documentation or clarification from the Qualified Project.

A. Tier I Investment Commitment - Critical Milestones

- i. Tier I Investment Critical Milestone 1** - Providing at least \$[One-fourth of the Tier I Amount], representing the funding that is at least 25% of the total \$[Tier I Amount] funding commitment as proposed by Project for Tier I Investments by the Tier I Investment Commitment Critical Milestone 1 Date. If the Critical Milestone is achieved, the total and original amount of the commitment security obligation shall be reduced by 20% of \$[Tier I Amount] (such resulting reduced amount, the "Tier I Critical Milestone 1 Reduction Amount").
- ii. Tier I Investment Critical Milestone 2** - Providing at least \$[One-half of the Tier I Amount], representing the funding that is at least 50% of the original total funding commitment as proposed by Project for Tier I Investments by Tier I Investment Commitment Critical Milestone 2 Date. If the Critical Milestone is achieved, the total and original amount of the commitment security obligation shall be reduced by 20% of \$[Tier I Amount] (such resulting

reduced amount, the “Tier I Critical Milestone 2 Reduction Amount”).

B. Commercial Operation Date Commitment

- i. Commercial Operation Date Critical Milestone I** - Approval of the Project’s Construction and Operation Plan by BOEM on or before the BOEM COP Approval Date. If the Critical Milestone is achieved on or before the BOEM COP Approval Date, the obligation shall be reduced by 20% of \$[*COD Amount*] (such resulting reduced amount, the “COD Reduction Amount”).

- ii. Commercial Operation Date Critical Milestone II, (if Alternate 2, described above, is used)** - Achievement of Phase I COD. If the Critical Milestone is achieved on or before the Phase I COD, the obligation shall be reduced by 20% of \$[*COD Amount*] (such resulting reduced amount, the “COD Reduction Amount II”).

C. Re-Bid Commitment

- i. Re-Bid Critical Milestone I** – Execution of a binding agreement with an OEM supplying Project wind turbine generators. If the Critical Milestone is achieved on or before [*Month*] [*Day*], 20[*Year*], the obligation shall be reduced by \$20,000,000.

- 3. **Partial and Full Draw Downs on Letters of Credit.** The Board shall have the right to draw on the Letter(s) of Credit a partial or a full amount, as applicable, of the full-posted amount – accounting for amounts previously returned or drawn upon – or a particular Letter of Credit if Project does not timely satisfy the related Critical Milestone. The Board shall provide Project with thirty (30) days’ notice of its intent to draw on and retain from the applicable Letter of Credit for either its partial or full amount. The Board may draw from the Letter(s) of Credit if it presents only a Sight Draft to the issuing bank in the amount to be drawn and a Payment Certificate.

A. Tier I Investment Commitment

- i. Tier I Investment Critical Milestone I – Partial Amount**
If the Tier I Investment Critical Milestone I is not satisfied by Tier I Investment Commitment Critical Milestone 1 Date, the Board shall have the right to retain and draw from the Letter(s) of Credit up to a face value of 25% of \$[*Tier I Amount*] (“Tier I Milestone I Draw Down Amount”).

ii. Tier I Investment Critical Milestone II – Partial Amount

If the Tier I Investment Critical Milestone II is not satisfied by Tier I Investment Commitment Critical Milestone 2 Date, the Board shall have the right to retain and draw from the Letter(s) of Credit up to a face value of 50% of \$[Tier I Amount] (“Tier I Milestone II Draw Down Amount”).

iii. Tier I Investment Full Amount

The Board shall have the right to draw and retain from the Letter(s) of Credit the full amount of the Tier I Investment Commitment Security not refunded or previously drawn if Project does not provide the full \$[Tier I Amount] of its Tier I Investment Commitment by the Tier I Investment Commitment Critical Milestone 3 Date or announces termination or cancellation of the Qualified Project. The Board may draw from the Letter(s) of Credit if it presents only a Sight Draft in the amount to be drawn and a Payment Certificate.

B. Commercial Operation Date Commitment

i. Commercial Operation Date Critical Milestone I

If the Commercial Operation Date Critical Milestone I is not satisfied by [Month] [Day], 20[Year], the Board shall have the right to retain and draw from the Letter(s) of Credit up to a face value 25% of \$[COD Amount] (“COD Draw Down Partial Amount”).

ii. Commercial Operation Date Critical Milestone II (if Alternative 2, described above, is used)

If the Commercial Operation Date Critical Milestone II is not satisfied by Phase I COD Date, the Board shall have the right to retain and draw from the Letter(s) of Credit up to a face value of 50% of [\$COD Amount] (“COD Draw Down Partial Amount II”).

iii. Commercial Operation Full Amount

The Board shall have the right to draw and retain from the Letter(s) of Credit the full amount of the Commercial Operation Date Commitment Security not refunded or previously drawn if the Project does not reach commercial operation by its Commercial Operation Date Commitment or announces termination or cancellation of the Qualified Project. The Board may draw from the Letter(s) of Credit if it presents only a Sight Draft in the amount to be drawn and a Payment Certificate.

C. Re-Bid Commitment

i. Re-Bid Critical Milestone I

If the Re-Bid Critical Milestone I is not satisfied by [Month] [Day], 20[Year], the Board shall have the right to retain and draw from the Letter(s) of Credit up to a face value \$25,000,000.

ii. Re-Bid Full Amount

The Board shall have the right to draw and retain from the Letter(s) of Credit the full amount of the Re-Bid Commitment Security not refunded or previously drawn if the Project does not reach commercial operation by its Commercial Operation Date Commitment or announces termination or cancellation of the Qualified Project. The Board may draw from the Letter(s) of Credit if it presents only a Sight Draft in the amount to be drawn and a Payment Certificate.

4. **Refunds on Letters of Credit.** The Letter(s) of Credits(s) shall be reduced and refunded in full, less any draws made for a Project's failure to meet certain Critical Milestones on the date that is the earlier of the Board confirming completion of all Critical Milestones or twelve (12) months after the Project's Commercial Operation Date. The 12 months may be tolled if there are any ongoing disputes between the Project and the Board respecting the securities.
5. **Other Remedies; Damages.** The Project agrees that nothing in this or in any Letter(s) of Credit is intended to limit or restrict the rights of the Board to pursue additional damages or remedies under law, against Project, should Project fail to reach commercial operation by its Commercial Operation Date.
6. **Term for Any Letter of Credit.** Any Letter of Credit shall have an expiration date not shorter than one (1) year together with an automatic renewal provision. Any Letter of Credit shall automatically renew until all amounts under such Letter of Credit have either been refunded or drawn.
7. **Assignment.** Any assignee of the Project shall, simultaneously with its assignment becoming effective, deliver to the Board a replacement security in the form of one or more Letter(s) of Credit or Parent Company Guarantee(s) that collectively meet Project's outstanding commitments in satisfaction of the Critical Milestones stated herein.

8. **Security Transfer.** The Project may, upon Board approval, transfer and convert any posted amounts in the Letter of Credit(s) to another existing or new Letter of Credit, Parent Company Guarantee or other approved form of security.

Exhibit A

Form of Parent Company Guarantee

This Parent Company Guarantee (“Guarantee”) is made by [*Parent Company Name(s)*] (“Guarantor”) in favor of the New Jersey Board of Public Utilities (“Board” or “Guaranteed Party,” and together with the Guarantor, the “Parties” and each a “Party”). [*Parent Company Name*] with an address of [*Address*] is a [*type of organization*] organized under the laws of [*Jurisdiction*]. [*Include immediately prior sentence for each applicable Parent Company.*] The New Jersey Board of Public Utilities, with an address of 44 South Clinton Ave., Trenton, New Jersey 08625, is a state agency established under New Jersey Statutes at Title 48.

This Parent Company Guarantee has an effective date of [*Month*] [*Day*], 20[*Year*] (“Effective Date”).

On [*Month*] [*Day*], 20[*Year*], pursuant to the Offshore Wind Economic Development Act, N.J.S.A. 48:3-87.1, the Board issued an Order awarding [*Project’s Full Name*] (“Project” or [*Project’s Abbreviated Name*]) status as a Qualified Offshore Wind Project (“QOWP”). Under OWEDA, Project, as a QOWP, holds a status enabling it to receive Offshore Wind Renewable Energy Credits (“ORECs”). Project is a [*Relationship to Parent Company*] of [*Parent Company Name(s)*]. [*Include the immediately prior sentence for each applicable Parent Company.*]

This Guarantee is provided in consideration for Project’s eligibility to receive ORECs. The Guarantee provides security for Project’s commitments made during the solicitation process.

Tier I Investment Commitment - Project committed to provide \$[*Tier I Amount*] for Tier I Facility Investments

Commercial Operation Date Commitment – Project committed to achieve a Commercial Operation Date, as defined below, for the QOWP of [*COD Date*].

The Parties agree as follows:

1. **Definitions**

All capitalized terms not defined in the preamble or herein shall have the meaning ascribed to them in the Order or Solicitation Guidance Document.

Board shall mean the New Jersey Board of Public Utilities.

Commercial Operation Date (“COD”) shall mean the date approved under the Order, as may be later amended, by which Project shall reach commercial operations with at least 90% of the Project’s capacity approved under the Order.

Force Majeure Event shall mean means any occurrence or event that (1) was not within the control of the Party claiming its occurrence, (2) the Project or [*Parent Company*] has been unable to avoid or overcome by the exercise of due diligence or commercially reasonable efforts, and (3) directly prohibits or prevents such Party from performing its obligations under this Agreement.

Notwithstanding the foregoing, a Force Majeure Event shall not include, (1) unusual and severe weather conditions that occur in the locale of the Project whether or not reasonably projected or predicted to occur, and whether occurring underground, in the benthic environment, underwater or in waters in the general vicinity of the Project, or in the atmosphere, (2) fires or explosions, including tremors or earthquakes that these events may cause; (3) strikes and other labor disputes (including collective bargaining disputes and lockouts) of the labor force under the control of the Project or [*Parent Company*] claiming Force Majeure or its affiliates or subcontractors unless the strike is part of a more widespread or general strike extending beyond the Project or its [*Parent Company*], affiliates, or subcontractor, (4) unavailability, late delivery or failure of equipment or materials, unless the Project or [*Parent Company*] claiming a Force Majeure Event can point to an independent event of a Force Majeure Event causing such unavailability, late delivery or failure, (5) Project’s or [*Parent Company’s*] economic hardship or financial inability to perform under the Order, (6) delays in transportation, other than resulting from transportation accidents, perils at sea or delays in transportation resulting from (i) closure of roads or other transportation routes (including on-shore or nautical routes) or re-routing of original nautical routes by governmental authorities or (ii) an independent event of a Force Majeure Event to which the Project or [*Parent Company*] claiming a Force Majeure Event can point, (7) any delay in obtaining, inability or failure to obtain, suspension, non-renewal or cancellation of any governmental approval to the extent caused (i) by the claiming Project’s or [*Parent Company’s*] failure to timely submit a final, complete permit application, renew such governmental approval, or provide any information or requested responses thereto in accordance with good utility practice, (ii) by failure of a government authority to timely issue a permit or approval, or (iii) by litigation related to any requested permit or approval, (8) following the Effective Date, changes to existing or imposition of new sales taxes, export and/or import tariffs, duties or similar costs, (9) any provision or any future law or regulation, or (10) any material modifications to Project that result from a Board order or a governmental order, are imposed or required by another governmental agency, or occur as a result of negotiation, finding, consultation or settlement agreement within the Project’s permitting, construction, or maintenance process.

Order shall mean the order issued by the Board on [*Month*] [*Day*], 20[*Year*] in [*BPU Docket No.*] awarding [*Project*] QOWP status.

Solicitation Guidance Document shall mean the guidance document published by the Board on [*Month*] [*Day*], 2024 to assist applicants in submitting bid during the Board’s fourth offshore wind solicitation.

Tier I Investments shall mean the amount Project committed in funds toward the development of Tier I Facilities, as defined in the Solicitation Guidance Document.

2. **Guarantee**

2.1. Guarantor hereby unconditionally and irrevocably guarantees to the Guaranteed Party that it will provide the amount described here if the Project does not reach commercial operation by the Project's Commercial Operation Date. Subject to Section 3, all monies due and owing shall be payable to the Guaranteed Party in U.S. Dollars on the applicable date. The Guarantor's obligation under this subsection is \$[*U.S. Dollar Amount*] ("COD Amount"), which represents \$50,000 per megawatt of delivered capacity awarded under the Order.

a. The obligation under Section 2.1 will become effective in two phases. Half of the obligation will become active on [Month] [Day], 20[Year], which is one year after the Order's effective date. The other half will become active on [Month] [Day], 20[Year], which is three years after the Order's effective date.

b. The obligation in Section 2.1 may be reduced as each Critical Milestone stated in the Performance Guarantee Requirements are accomplished. Guarantor shall promptly notify the Guaranteed Party that the critical milestone is reached. 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 and automatically resets upon receipt of the requested documentation or clarification from the Qualified Project.

Critical Milestone 1 - Approval of the Project's Construction and Operation Plan by the Bureau of Ocean Energy Management on or before [Month] [Day], 20[Year], BOEM COP Approval Date. If the Critical Milestone is achieved, the Guarantor's obligation under Section 2.1 shall be reduced by 20% of \$[COD Amount].

Critical Milestone 2 (if project is being constructed in two phases) - Achievement of the Project's Phase I on or before [Month] [Day], 20[Year], Phase I COD. If the Critical Milestone is achieved, the Guarantor's obligation under Section 2.1 shall be reduced by 20% of \$[COD Amount].

c. For each Critical Milestone that is not achieved, the Guaranteed Party shall have the right to, upon thirty (30) days prior written notice to the Guarantor, demand and receive payment for 25% of \$[COD Amount] for the corresponding Critical Milestone.

d. If the Guarantor does not reach commercial operation by the Commercial Operation Date or announces termination or cancellation of the Project, the Guaranteed Party shall have the right to, upon thirty (30) days prior written notice, demand and receive payment for the \$[COD Amount] identified in Section 2.1, less any amount reduced under Section 2.1.b or demanded and paid to the Guaranteed Party under Section 2.1.c.

2.2. Guarantor hereby unconditionally and irrevocably guarantees to the Guaranteed Party that the Project shall contribute [\$Amount] (“Tier 1 Amount”) total of Tier I Investments by [Month] [Day], 20[Year]. Subject to Section 3, all monies shall be payable to the Guaranteed Party in U.S. Dollars.

a. The obligation under Section 2.2 will become effective in two (2) phases. Half of the obligation will become active the earlier of the one (1) year anniversary date of the Order’s effective date or sixty (60) days before prior to the Tier 1 Critical Milestone 1 date identified in Section 2.2.b. The balance shall be posted within the earlier of sixty (60) days prior the Tier 1 Critical Milestone 2 date, identified in Section 2.2.b, or 60 days after the date for Critical Milestone 1 identified in Section 2.2.b.

b. The obligation in Section 2.2 may be reduced as the following critical milestones are accomplished. Guarantor shall promptly notify the Guaranteed Party that the critical milestone is reached. 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 and automatically resets upon receipt of the requested documentation or clarification from the Qualified Project.

Critical Milestone 1 - Providing at least \$[Amount], representing the funding that is at least 25% of the total funding commitment as proposed by the Project for Tier 1 Investments by [Month] [Day], 20[Year]. If the Critical Milestone is achieved, the original and total amount of the Guarantor’s commitment security obligation under Section 2.2 shall be reduced by 20% of \$[Tier 1 Amount].

Critical Milestone 2 - Providing at least \$[Amount], representing the funding that is at least 50% of the total funding commitment as proposed by the Project for Tier 1 Investments by [Month] [Day], 20[Year]. If the Critical Milestone is achieved, the original and total amount of the Guarantor's commitment security obligation under Section 2.2 shall be reduced by 20% of \$[Tier 1 Amount].

c. For each Critical Milestone above that is not achieved, the Guaranteed Party shall have the right to, upon thirty days prior written notice, demand payment from the \$[Tier 1 Amount], 25% for Critical Milestone 1 and 50% for Critical Milestone 2, for the corresponding Critical Milestone.

d. If the Guarantor does provide its full Tier 1 Investment Commitments by [Month] [Day], 20[Year], the Guaranteed Party shall have the right to, upon thirty days prior written notice, demand and receive payment for the Tier 1 Amount identified in Section 2.2 less any amount reduced under Section 2.2.b or demanded and paid to the Guaranteed Party under Section 2.2.c.

2.3. Guarantor agrees that the Board may enforce this Guarantee against the Guarantor without a proceeding against the Project. Any payments demanded under this section by the Guaranteed Party shall be delivered and performed by the Guarantor promptly.

3. **Limitation of Liability**

3.1. The Guarantor's liability under this Guarantee shall be the values identified under Sections 2.1 and 2.2.

3.2. In the event of a claimed Force Majeure Event, the Guarantor shall provide written notice to the Guaranteed Party within 7 days of such claimed Force Majeure Event. The Project and Guarantor shall then petition the Board, within a reasonable time, to request a modification of the Order and the obligations identified in Section 2.1 and 2.2 of this Guarantee. If such petition is filed, the Board's 30-day notice obligations under Sections 2.1 and 2.2 shall be tolled.

4. **Representations**

4.1. The Guarantor is a duly organized and validly existing corporation, partnership, or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its organization.

4.2. The Guarantor has the requisite corporate, trust, partnership, or limited liability company power and authority, as the case may be, to own its property and assets and to transact the business in which it is engaged and presently proposes to engage.

4.3. In entering this agreement, the Guarantor confirms that this agreement does not contravene any applicable law, order, writ, or injunction of any court or jurisdiction. The Guarantor confirms that there is no active, pending, or threatened suit against it that would affect its ability to perform under this Guarantee. The Guarantor confirms that this Guarantee does not conflict with violate or breach any other agreements, contracts, or instruments to which the Guarantor is party.

5. **Disputes**

5.1. The Parties consent to the exclusive jurisdiction and venue of any state court sitting in the State of New Jersey over any action or proceeding arising out of or relating to this Guarantee. All claims and actions may be only heard and determined by such state court.

5.2. This Guarantee shall be governed and construed in accordance with the laws of the State of New Jersey, without giving effect to any conflict of law principles that would give effect to the laws of any other jurisdiction.

6. **Waivers**

6.1. No failure or delay by the Guaranteed Party in exercising rights under this Guarantee shall operate as a waiver of those rights.

6.2. Guarantor waives, including any rights attributable to the [*Project Name*], arising out of (1) defenses relating to bankruptcy, insolvency, dissolution or liquidation, or any proceeding barring or limiting payment to the Guaranteed Party; and (2) defenses relating to the authority of the Guarantor to enter into this Guarantee.

6.3. Guarantor agrees that is assumes all responsibility for keeping itself informed of Project's progress and status, and any circumstances, as it relates to the obligations described in Sections 2.1 and 2.2.

7. **Assignment**

7.1. This Guarantee shall be binding upon Guarantor and its successors and assigns and shall be to the benefit of the Guaranteed Party and its successors and assigns.

7.2. The Guarantor shall not assign this Guarantee without the prior written consent of Guaranteed Party.

8. **Termination**

8.1. This Guarantee shall terminate on the earlier of the Board confirming completion of all Critical Milestones or the twelve (12) month anniversary date, [*Month*] [*Day*], 20[*Year*],

after the Project has reached commercial operation (the “Termination Date”), as may be tolled during any disputes associated with or arising out of this agreement.

8.2. The Guarantor may request early termination under this Guarantee if the Project and Guarantor no longer intend to complete the QOWP. In such case, Project and Guarantor must submit a duly written notification to the Board to explain their intent to cease development of the QOWP. All posted and unreduced obligations under Sections 2.1 and 2.2 will become promptly due to the Guaranteed Party. Once all obligations are paid to the Guaranteed Party, and no disputes associated with or arising out of this agreement remain outstanding, this Guarantee shall terminate prior to the Termination Date.

9. **Amendments**

9.1. This Guarantee may be modified only with a duly executed written consent of the Guarantor and the Guaranteed Party.

10. **Notices and Communications**

10.1. All notices under this shall be in writing and deemed served if sent by email and a mail carrier that provides receipt of delivery.

10.2. Notices to the Guaranteed Party shall be sent to:

New Jersey Board of Public Utilities
Attention: Board Secretary
44 South Clinton Avenue
Post Office Box 350
Trenton, New Jersey 08525-350
E-mail: Board.Secretary@bpu.nj.gov

10.3. Notices to the Guarantor shall be sent to:

[Name]
[Address]
[E-Mail]

11. **Counterparts**

11.1. This Guarantee may be executed in any number of counterparts by the Parties, each of which when so executed and delivered shall be an original, but all of which when taken together collectively shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Parent Company Guarantee has been executed as of the Effective Date first written above.

[*Name of Guarantor*] _____ NEW JERSEY BOARD
OF PUBLIC UTILITIES

By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Exhibit B

Form of Irrevocable Standby Letter of Credit

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [__]

ISSUE DATE: [__]

Beneficiary:

The New Jersey Board of Public Utilities
44 South Clinton Avenue
Post Office Box 350
Trenton, New Jersey 08525-350

Attention:

By the order of:

[Applicant Name]

[Applicant Address]

We hereby issue our irrevocable credit no: [__] in your favor for the account of [__] (the "seller") for an amount or amounts not to exceed in the aggregate \$[*U.S. Dollar Amount*] U.S. Dollars available by your Drafts at Sight on [Issuing Bank Name] [Issuing Bank Address], when accompanied by the following documents:

1. Your sight draft drawn on us in the form of Annex 1 hereto (the "sight draft"); and
2. A dated payment certificate purportedly signed by a duly authorized officer of the New Jersey Board of Public Utilities in the form of Annex 2 hereto (the "payment certificate").

Multiple drawings are permitted in amounts not to exceed, in combination, the aggregate amount.

Presentation of any drawing may be made by hand-delivery, express courier, or certified mail at the following address:

[Issuing Bank Name]

[Bank Address]

Ph: [Number]

Attention: [Name]

Funds under this Letter of Credit are available to you against your payment certificate and sight draft presented in full compliance with the terms and conditions of this Letter of Credit on or before 5:00 p.m., New York time, on the expiration date hereof. This Letter of Credit will expire on *[Month]/[Day]*, 20*[Year]* subject to the following sentence. It is a condition of this Letter of Credit that it shall be deemed automatically extended for successive additional periods of one (1) year from any future expiration date hereof, without amendment, unless at least 90 days prior to any such expiration date we notify you by courier or registered mail that we elect not to extend this Letter of Credit for any such additional period.

Payment against conforming documents presented under this Letter of Credit shall be made by us at or before 5:00 p.m., New York time, on the second (or, in the case of a presentation after 10:30 a.m., New York time, the third) banking day after presentation.

All payments made by us under this Letter of Credit will be made in immediately available funds and will be disbursed from our own funds. If requested by you, payment under this letter of credit may be made by wire transfer. Beneficiary's bank *[Issuing Bank Name]*, *[Account Number]* *[Issuing Bank Account Number]*.

This Letter of Credit is not transferable. Only you may make any payment certificate and sight draft under this letter of credit.

We hereby agree with you that each duly completed payment certificate and sight draft drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation to us on or before the expiry date. The obligation of *[Issuing Bank Name]* under this Letter of Credit is the individual obligation of *[Issuing Bank Name]* and is in no way contingent upon reimbursement with respect thereto.

If any demand for payment under this Letter of Credit does not conform to the terms and conditions of this Letter of Credit, the *[Issuing Bank Name]* shall give the beneficiary prompt written notice of the same stating the reasons therefor, and the *[Issuing Bank Name]* will, upon the beneficiary's request, hold the documents presented to the issuing bank at the beneficiary's disposal or return the same to the beneficiary. Upon being notified that any demand for payment did not conform to this Letter of Credit, the beneficiary may attempt to correct any such non-conforming demand for payment.

All commissions and other banking charges with respect to this Letter of Credit will be borne by *[Applicant Name]*.

[Applicant's Name's] filing of a bankruptcy, receivership or other debtor-relief petition, and/or applicant's discharge thereunder, shall in no way affect the liability of the issuer under this Letter

of Credit and, as a result, the issuer shall always remain liable to the beneficiary for the full amount of this Letter of Credit, notwithstanding said bankruptcy, receivership, petition or discharge - not to exceed the available amount of this letter of credit.

This Letter of Credit sets forth in full the terms of our undertaking. With the exception of increases this Letter of Credit may not be amended, changed or modified without the express written consent of the beneficiary and [*Issuing Bank Name*].

Except as otherwise expressly stated herein, this Letter of Credit is subject to and shall be governed by and construed in accordance with the laws of the State of New Jersey and applicable U.S. Federal law.

All parties to this Letter of Credit are advised that the U.S. Government has in place certain sanctions against certain countries, individuals, entities, and vessels. Our entities, including branches and, in certain circumstances, subsidiaries, are/will be prohibited from engaging in transactions or other activities within the scope of applicable sanctions.

[*Issuing Bank Name*]

[*Issuing Bank Address*]

By: _____

Name: _____

Title: _____

Authorized signature

Of officer of issuing bank

Annex 1 to Letter of Credit - Form of Sight Draft

Letter of Credit No. _____

Date of Letter of Credit: _____

Date of Draft: _____

FOR VALUE RECEIVED

Pay on Demand to: The New Jersey Board of Public Utilities, U.S. _____
Dollars (U.S. \$_____). The amount of this draft does not exceed the amount available to be
drawn by the Beneficiary under the Letter of Credit.

Charge to account of [Name of Applicant].

Drawn under [Name of Bank] Letter of Credit No. [_____].

Payment by the bank pursuant to this drawing shall be made to:

[_____] ,
ABA Number [_____],
Account Number [_____],
Attention: [_____],
Re: _____ .

To: [*Issuing Bank*]

[*Address*]

Attention: _____

As Beneficiary

By: _____

[*Name*]

[*Title*]

Annex 2 to Letter of Credit – Payment Certificate

To:

[*Issuing Bank*]

[*Address*]

Re: Irrevocable Standby Letter of Credit No: [_____] [Insert]

The undersigned, a duly authorized officer of the undersigned Beneficiary, hereby certifies to [Issuing Bank], with reference to the Irrevocable Standby Letter of Credit No: [Insert] (“Letter of Credit”), that [Applicant Name], having provided the Letter of Credit to the New Jersey Board of Public Utilities as security for performance under [Board Order] and in the aggregate amount of \$[*U.S. Dollar Amount*], (“Letter of Credit Amount”) either [check the appropriate space]:

_____ [*Project Name*] failed to meet one of the critical milestones identified in the Board Order, entitling the beneficiary to draw up to \$[*U.S. Dollar Amount*] from the Letter of Credit.

_____ [*Project Name*] failed to reach commercial operation by its Committed Commercial Operation Date, entitling the beneficiary to draw up to \$[*U.S. Dollar Amount*] from the Letter of Credit.

_____ [*Project Name*] failed to provide the full Tier I Investment Commitment, entitling the beneficiary to draw up to \$[*U.S. Dollar Amount*] from the Letter of Credit.

_____ [*Project Name*] has notified the Beneficiary that it intends to cease development of the [*Project Name*] or otherwise announced termination of cancellation of the [*Project Name*], entitling the beneficiary to any outstanding \$[*U.S. Dollar Amount*] in the Letter of Credit.

The terms used herein which are not specifically defined herein are defined in the Letter of Credit or the [*Board Order*], referenced above.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this payment Certificate as of the [_____] day of [_____], 20[_____].

As Beneficiary

By: _____
[Name]
[Title]

Attachment 14

Levelized Net OREC Cost Calculation

Attachment 14

Levelized Net OREC Cost Calculation

Nominal LNOC for a project p is $PVANC_p$ divided by $PVAQ_p^n$, where $PVANC$ is the Present Value of Annual Net Cost, discounted at the nominal discount rate, NDR , and $PVAQ_p^n$ is the Present Value of Annual OREC Quantity, discounted at the nominal discount rate. Annual Net Cost and Annual OREC Quantity are discounted to 2024 from the first OREC contract delivery year, yf , to the last delivery year, yl .

$$LNOC_p^n = PVANC_p \div PVAQ_p^n$$

$$PVANC_p = \sum_{y=yf}^{yl} (OP_{y,p} - ER_{y,p} - CR_{y,p} - RR_{y,p}) \div (1 + NDR)^{(y-2024)}$$

$$PVAQ_p^n = \sum_{y=yf}^{yl} OQ_{y,p} \div (1 + NDR)^{(y-2024)}$$

Real LNOC for a project p is $PVANC_p$ divided by $PVAQ_p^r$, where $PVAQ_p^r$ is the Present Value of Annual OREC Quantity, discounted at the real discount rate, RDR .

$$LNOC_p^r = PVANC_p \div PVAQ_p^r$$

$$PVAQ_p^r = \sum_{y=yf}^{yl} OQ_{y,p} \div (1 + RDR)^{(y-2024)}$$

$$RDR = (1 + NDR) \div (1 + InflationRate) - 1$$

$OQ_{y,p}$ is the total OREC quantity (MWh) for project p in calendar year y :

$$OQ_{y,p} = \sum_{m=1}^{12} MOQ_{m,y,p}$$

$MOQ_{m,y,p}$ is the monthly OREC quantity (MWh) for project p in month m of calendar year y :

$$MOQ_{m,y,p} = \sum_{d=1}^{DIM_{m,y}} \sum_{h=1}^{24} HOQ_{h,d,m,y,p}$$

$HOQ_{h,d,m,y,p}$ is the hourly OREC quantity (MWh) for hour h of day d of month m of calendar year y for project p , and $DIM_{m,y}$ is the number of days in month m of calendar year y .

$OP_{y,p}$ is the OREC Payment amount for project p in calendar year y :

$$OP_{y,p} = \sum_{m=1}^{12} MOQ_{m,y,p} \times OBP_{m,y,p}$$

$OBP_{m,y,p}$ is the OREC bid price of the energy year applicable to month m of calendar year y for project p . It may be adjusted for transmission system upgrade cost sharing if appropriate.

$ER_{y,p}$ is the annual market energy revenue for project p in calendar year y .

$HEP_{h,d,m,y,l}$ is the hourly market energy price (\$/MWh) in hour h of day d of month m in calendar year y at location l , where location l is determined by the project interconnection point.

$$ER_{y,p} = \sum_{m=1}^{12} \sum_{d=1}^{DIM_{m,y}} \sum_{h=1}^{24} HOQ_{h,d,m,y,p} \times HEP_{h,d,m,y,l}$$

$CR_{y,p}$ is the annual market capacity revenue for project p in calendar year y .

$$CR_{y,p} = \sum_{m=1}^{12} UCAP_{m,y,p} \times DIM_{m,y} \times PC_{m,y,l}$$

$UCAP_{m,y,p}$ is the amount of project p UCAP recognized by PJM for month m of calendar year y (MW).

$PC_{m,y,l}$ is the PJM capacity price applicable to the project location l for month m of calendar year y (\$/MW-day).

$RR_{y,p}$ is the annual market REC revenue (avoided cost) for project p in calendar year y .

RP_y is the New Jersey Class I REC price (\$/MWh) for calendar year y .

$$RR_{y,p} = RP_y \times OQ_{y,p}$$

To compare portfolios of projects with roughly the same total nominal capacity, first the present value measures $PVANC_p$, $PVAQ_p^n$, and $PVAQ_p^r$ are summed for the np included projects. Then, portfolio nominal and real LNOC, and are calculated for each portfolio in the same manner as for individual projects:

$$PLNOC^n = \sum_{p=1}^{np} PVANC_p \div \sum_{p=1}^{np} PVAQ_p^n$$

$$PLNOC^r = \sum_{p=1}^{np} PVANC_p \div \sum_{p=1}^{np} PVAQ_p^r$$