



**NEW JERSEY
DEPARTMENT OF
ENVIRONMENTAL
PROTECTION**



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New Jersey Board of Public Utilities

Shawn M. LaTourette
Acting Commissioner
NJ Department of Environmental Protection

April 28, 2021

James Bennett, Program Manager
Office of Renewable Energy
Bureau of Ocean Energy Management
45600 Woodland Road
Sterling, Virginia 20166

Re: Announcement of the New York New Jersey Bight Wind Energy Areas and the Preparation of an Environmental Assessment Associated with Issuing Leases in the Wind Energy Areas

Dear Mr. Bennett:

The New Jersey Board of Public Utilities (NJBPU) and the New Jersey Department of Environmental Protection (NJDEP) respectfully submit these comments to the Bureau of Ocean Energy Management (BOEM) on behalf of the State of New Jersey in response to the announcement of the New York New Jersey Bight (NYNJ Bight) Wind Energy Areas and the preparation of an Environmental Assessment associated with issuing leases in the Wind Energy Areas (WEAs).

The New Jersey Global Warming Response Act, N.J.S.A., 26:2C-37, et seq., directed the NJDEP to develop plans for reducing emissions of climate pollutants, including through the adoption of renewable energy plans and policies consistent with the State's Energy Master Plan (EMP). The State's Offshore Wind Economic Development Act, N.J.S.A. C.48:3-87, et seq., authorizes the NJBPU to accept applications for qualified offshore wind ("OSW") projects and to conduct one or more competitive solicitations for open access OSW transmission facilities designed to facilitate the collection of OSW energy from qualified OSW projects. As the State pursues the responsible development of OSW, the NJDEP is obligated, pursuant to the federal Coastal Zone Management Act, 16 U.S.C. § 1451, et seq., and related state laws, to preserve, protect, restore, and enhance the resources of the State's coastal zone.

Under the leadership of Governor Phil Murphy, New Jersey's development of offshore wind energy, together with other clean and renewable energy sources, will be critical to addressing the challenges associated with climate change and to building a clean energy economy. As a state with one of the most ambitious offshore wind goals in the nation, we are on the path to achieving 7,500 MW of offshore wind power by 2035, and 100% clean energy by 2050. The EMP estimates that offshore wind will supply 23% of the state's clean energy by 2050.

New Jersey commends BOEM's recent OSW progress with offshore wind development, and in particular, the announcement of the final Wind Energy Areas in the NYNJ Bight. The WEAs have been refined to

include 950 nautical square miles and 800,000 acres to account for conflicting uses including, but not limited to: commercial and recreational fishing, maritime navigation, Department of Defense activities, visual impacts, marine protected species, avian species, radar, existing infrastructure and wind resource. The NYNJ Bight consists of 5 distinct WEAs: Fairways North, Fairways South, Hudson North, Central Bight and Hudson South.

New Jersey acknowledges certain conflicts exist within the WEAs, as noted by the Department of Defense, the U.S. Coast Guard, and NOAA Fisheries, and these may affect the number, size, and utilization of the proposed lease areas. On behalf of Governor Murphy, we urge BOEM to prioritize the resolution of these conflicts and look forward to continued discussion with BOEM and the consulting agencies as the deconfliction process continues.

As BOEM is aware, stakeholder input is crucial to the OSW planning and development process. We encourage BOEM to engage in regular, transparent communication with, and solicit feedback from, the various stakeholder groups that may be impacted by the new lease areas in the NYNJ Bight. It is especially important that BOEM engage deeply with New Jersey's commercial fishing industry. Our fishing communities and seafood industries are important parts of our New Jersey identity, and crucial components of our state's economy. Being that commercial fishing industry representatives chose not to participate in the NY-NJ Bight Task Force meetings, we strongly encourage BOEM to engage with them industry representatives now as the environmental review begins. In partnership with NJBPU, the NJDEP would be happy to coordinate this engagement.

We are pleased to see BOEM's incorporation of transit corridors as the proposed lease areas are planned. We recommend continued engagement with stakeholders and cooperating agencies on this issue to ensure that the location, orientation, and sea space of the corridors aligns with the needs of the various ocean users.

Our agencies would also like to take this opportunity to reiterate some of the comments made on behalf of the state of New Jersey during the Task Force meeting on April 16, which are attached to this letter for your consideration.

New Jersey looks forward to the opportunity to review BOEM's Environmental Assessment in the coming months which will consider potential environmental consequences of site characterization activities, such as biological, archeological, geological, and geophysical surveys and core samples; as well as site assessment activities, such as installation of meteorological buoys; as well as project easements associated with each potential lease issued; and grants for subsea cable corridors in the NYNJ Bight.

The State of New Jersey greatly appreciates BOEM's consideration of these comments and looks forward to continuing to work with you and your staff as you prepare to lease areas for offshore wind development in the NYNJ Bight.

Respectfully,



Joseph L. Fiordaliso, President
New Jersey Board of Public Utilities

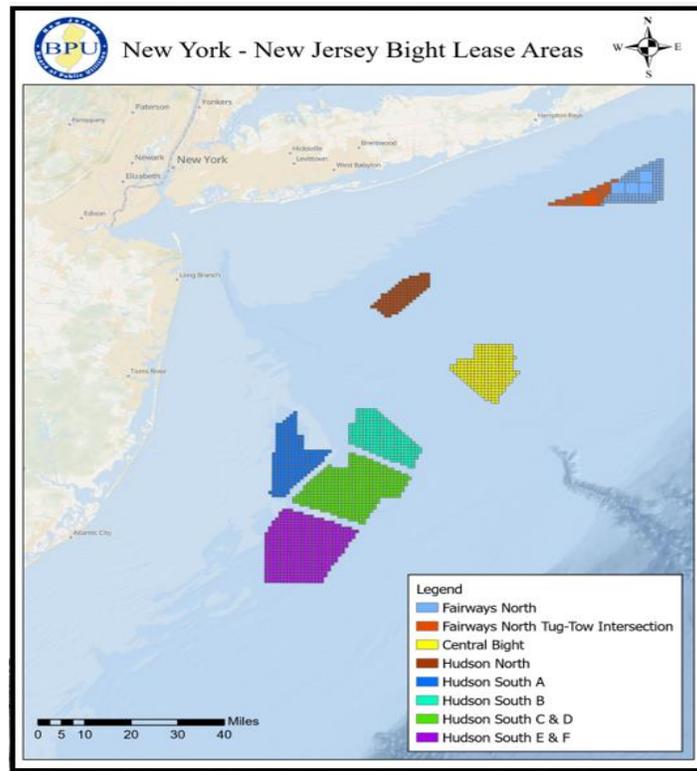


Shawn M. LaTourette, Acting Commissioner
New Jersey Department of Environmental Protection

Comments Made by State of New Jersey at the NYNJ Bight Task Force Meeting (Virtual) on April 16, 2021

1. *Number, Size, Location, Orientation of Proposed Lease Areas:* The size of proposed areas may not sufficiently allow for developers to take advantage of the economies of scale that can be achieved with larger nameplate capacity projects. The proposed lease areas range from 43,056 acres to 87,890 acres and using the conservative estimate of 0.012 MW/acre, lease area capacities would range from 523 to 1,026 MW. By comparison, the existing lease areas in the NYNJ Bight range from 79,360 acres to 182,720 acres, or approximately 950 to 2,200 MW. The trend in project size bids is increasing. In the first New Jersey solicitation issued in 2018, projects ranged in size from 300 MW to 1,200 MW and the lower project sizes did not yield favorable bids either in terms of price or economic benefits. New Jersey proposes combining smaller lease areas to allow for flexibility in project design and achieving economies of scale in generation with larger project. We propose combining proposed lease areas C and D in the Hudson South Wind Energy Area into one larger area and combining lease areas E and F in the Hudson South Wind Energy Area into a second larger area as shown in figure 1 below.

Figure 1: Proposed Lease Areas



This would increase the relative size of these areas to 156,566 acres and 172,934 acres respectively as shown in table 1 below.

Table 1: Proposes Lease Areas

Proposed Lease Areas Descriptive Statistics				
Lease Area	Acres	Installation Capacity (MW)	Homes Powered	Power Production (MWh/year)
Fairways North	62,270	753	263,550	2,638,512
Central Bight	84,688	1,028	359,857	3,602,678
Hudson North	43,056	523	182,954	1,831,628
Hudson South A	85,755	1,041	182,954	3,648,088
Hudson South B	84,332	1,024	358,344	3,587,533
Hudson South C + D	156,566	1,901	665,281	6,660,410
Hudson South E + F	172,934	2,099	734,831	7,356,715
Total	646,545	7,846	2,564,817	27,493,936

Megawatts (MW) based upon 3MW/sq km
 Homes powered is based upon 350 homes per MW
 Megawatt hours per year formula: MWh/year = Capacity (MW) * 8760 (hrs/year) * 0.4 (capacity factor)
 Fairways North values are estimates of geometry outside of the Tug/Tow area

We believe this adjustment will improve the economic benefits of these proposed lease areas, through of economies of scale, and will result in projects with a lower Levelized Cost of Energy (LCOE) and greater economic benefits from a localized supply chain.

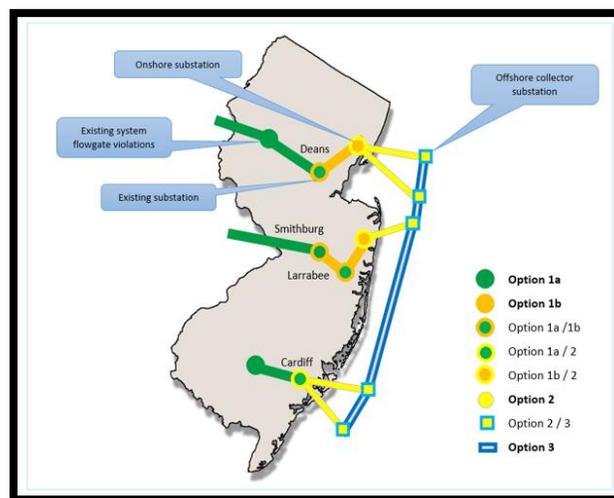
Figure 1 and Table 1 also show New Jersey’s proposal to designate a lease area in the Fairways North WEA. While we understand that this WEA has conflicts, we believe that all of the proposed lease areas (and for that matter all of the existing lease areas) have conflicts or potential conflicts. Adding a lease area in Fairways North will partially offset the loss of two leasable areas in Hudson South (by the combining of four proposed areas into two) and lower the total number of areas to be leased by only one, from eight to seven.

2. *Minimum bid*: New Jersey is not opposed to raising the minimum bid to \$100 per acre, since the final lease bids are expected to be well above this minimum bid. However, New Jersey is concerned with the high cost of the leases and the potential impact to ratepayers. To alleviate this concern, we propose that a portion of the lease payments be provided to the states for use in supporting the states’ offshore wind efforts, including workforce development initiatives in overburdened communities. We understand that the Outer Continental Shelf Lands Act (OCSLA) does not allow for providing a portion of the lease revenue to the states for lease areas farther

than 6 miles from shore, and we propose a joint effort between New Jersey, New York and BOEM to explore amending the OCSLA.

3. *Transmission*: Transmission is a critical component to achieving successful large-scale offshore wind energy in the region and greater United States. To overcome the challenges associated with traditional radial transmission, New Jersey has been active in advancing a coordinated transmission solution with our Regional Transmission Operator, PJM. LLC (PJM). In November of 2020, New Jersey took the first step in advancing this coordinated transmission solution by formally requesting PJM to incorporate New Jersey’s goal of 7,500 MW of offshore wind by 2035 into PJM’s Regional Transmission Expansion (RTEP) process by utilizing the PJM State Agreement Approach (SAA). The SAA will explore the options shown in figure 2 below for an optimal long-term solution for offshore wind transmission that otherwise may not have been available at his stage of development.

Figure 2: SAA Options



Through the solicitation process that will be run by PJM on New Jersey’s behalf, we will be able to examine details on a wide array of ready-to-build transmission options, including key factors such as cost, siting, environmental impacts, and the timeframe for construction. We have begun to discuss with BOEM your involvement in this process and we look forward to working with you to achieve a landmark transmission solution.

4. *Limits per bidder*: New Jersey agrees with the concept of a 2-area limit per bidder if 8 lease areas are offered, and a 1-area limit if less than 8 lease areas are offered.
5. *Operations term*: New Jersey has no comment on the proposed 33-year operations term.

