DRAFT FOR PUBLIC COMMENT

July 2020

New Jersey Offshore Wind Solicitation #2

Solicitation Guidance Document

Application Submission for Proposed Offshore Wind Facilities

New Jersey Board of Public Utilities

44 S. Clinton Ave, Trenton, NJ

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1 INTRODUCTION AND OVERVIEW OF THE OFFSHORE WIND RENEWABLE ENERGY CERTIFICATE ("OREC") PROGRAM

To implement Governor Phil Murphy's vision of making New Jersey a leading hub of offshore wind development and to meet the State's aggressive clean energy goals, as described below, the Board of Public Utilities ("BPU" or "Board") hereby announces that it is soliciting Applications to secure ORECs targeting 1,200 MW to 2,400 MW of offshore wind capacity. The Board seeks to promote robust competition in this solicitation and future solicitations to support the continued development of the offshore wind industry in New Jersey.

This Solicitation Guidance Document includes information on the timeline and mechanics of the Second 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 ("EO8") on January 31, 2018.[1] The purpose of EO8 was to reinvigorate the implementation of the State's Offshore Wind Economic Development Act ("OWEDA" or the "Act").[2] With "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."[3] 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 in turn would "contribute to a stronger New Jersey economy."[4] To this end, Governor Murphy set a "goal of 3,500 MW of offshore wind energy generation by the year 2030."[5]

As required by OWEDA, the Board adopted rules that provided an application process and evaluation framework for offshore wind facilities.[6] EO8 also directed the BPU to begin the rulemaking process to establish the OREC Funding Mechanism to set forth the method and processes by which New Jersey ratepayers will fund offshore wind projects and how all revenues from these projects will be refunded and delivered to ratepayers.[7] In September 2018, the BPU issued a solicitation for 1,100 MW of offshore

[1] See Attachment 6 for EO8. Executive Order No. 92, signed by Governor Murphy on November 19, 2019, changed the State's OSW goal to 7,500 MW by 2035. All other provisions of EO8 remained in full force and effect.

[2] N.J.S.A. 48:3-87d(4) to -87.2.P.L. 2010, c. 57, signed into law August 19, 2010.

[3] EO8 p. 1.

[4] *Id.* p. 1-2.

[5] *Id.* p. 2.

[6] N.J.A.C. 14:8-6.1 et seq.

[7] N.J.A.C. 14:8-6.6.

wind energy generation.[8] In June 2019, the BPU approved an Application for a 1,100 MW offshore wind generation project submitted by Ocean Wind.[9]

On November 19, 2019, Governor Murphy signed Executive Order No. 92 ("EO92"), increasing the State's offshore wind energy generation goal to 7,500 MW by 2035.[10] Governor Murphy found that as a result of efforts by the State following EO8, "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."[11] 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."[12]

On February 28, 2020, Governor Murphy announced the offshore wind solicitation schedule to meet the 7,500 MW goal by 2035, shown in Table 1. Governor Murphy called on the BPU to take all necessary actions to implement the schedule.[13] To be responsive to the evolving market, the schedule has been developed to provide flexibility in terms of the amount being procured with each solicitation and the exact timeline. There are a number of factors that could influence the timing and the quantity to be procured, including, but not limited to, the development schedule for transmission solutions to accommodate large new injections of offshore wind, the status of additional Bureau of Ocean Energy Management ("BOEM") lease areas, permitting, port readiness, establishment and evolution of the supply chain, workforce training, and technology progress affecting overall cost trends.

Table 1. Proposed Offshore Wind Solicitation Schedule for New Jersey through 2035

Solicitation	Capacity Target (MW)	Issue Date	Submittal Date	Award Date	Estimated Commercial Operation Date
1	1,100	Q3 2018	Q4 2018	Q2 2019	2024
2	1,200	Q3 2020	Q4 2020	Q2 2021	2027
3	1,200	Q3 2022	Q4 2022	Q2 2023	2029
4	1,200	Q2 2024	Q3 2024	Q1 2025	2031
5	1,400	Q2 2026	Q3 2026	Q1 2027	2033
6	1,400	Q1 2028	Q3 2028	Q1 2029	2035

This Solicitation Guidance Document explicitly draws from four significant documents that provide the legal framework and requirements for the solicitation, each of which is attached hereto as they give essential guidance for Applications submitted in response to this solicitation. They are:

[8] 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, Docket No. QO18080851, Order dated September 17, 2018.

[9] Order in Docket No. QO18121289.

[10] See Attachment 7.

[11] EO92, p. 3.

[12] *Id*.

[13] State of New Jersey, "Governor Murphy Announces Offshore Wind Solicitation Schedule of 7,500 MW through 2035," February 28, 2020. https://www.nj.gov/governor/news/news/562020/20200228a.shtml

- OWEDA (Attachment 4);
- Application requirements in N.J.A.C. 14:8-6.1 et seq. (Attachment 5);[14]
- Executive Order No. 8 (Attachment 6); and
- Executive Order No. 92 (Attachment 7).

1.2 Overview of the Solicitation

This solicitation seeks to secure ORECs targeting 1,200 MW to 2,400 MW of Qualified Offshore Wind Project(s) ("Qualified Projects"). The Board reserves the right to select less than 1,200 MW or more than 2,400 MW, if circumstances warrant.

Qualified Projects are wind turbine electric generation facilities located in the Atlantic Ocean in designated BOEM lease areas and connected to the electrical transmission system in New Jersey, including the associated transmission-related interconnection facilities and equipment, that have been approved by the BPU.[15] ORECs represent the environmental attributes of generation from these Projects.[16] Each Applicant that submits a Project seeking to become a Qualified Project must submit an Application in response to this solicitation. An Applicant may submit multiple Projects in an Application, with each specific configuration of the wind turbine electric generation facility, associated design elements, and offer components constituting a separate Project.

For each MWh generated and delivered to the transmission grid, a Qualified Project will be credited with one OREC. For each OREC, the Qualified Project will be paid its stated OREC Purchase Price which reflects the all-in costs of the Project, that is, the total capital and operating cost for that Qualified Project offset by any State or Federal tax credits and other subsidies or grants, as approved by the BPU.[17] The OREC Purchase Price will be fixed for each year over the first 20 years of each phase of the Qualified Project's commercial operation. Once the BPU approves one or more Qualified Projects as a result of this solicitation, the BPU will establish a Statewide OREC purchase requirement for future Energy Years in an amount to support the output of all Qualified Projects. This output will be an offset to existing State Class I renewable energy requirements.

A Qualified Project may sell ORECs up to an Applicant-specified and Board-approved maximum quantity during each Energy Year. This quantity is called the "Annual OREC Allowance."[18] ORECs are eligible to be sold in the Energy Year in which they are generated and during the following two Energy Years.[19] If the Qualified Project falls short of its Annual OREC Allowance in any Energy Year, such shortfall may be cumulatively added to the following Energy Year's Allowance. Over the 20-year contract term, the treatment of any energy shortfall provides reasonable assurance that the Applicant will be given the opportunity to realize the Project's full approved OREC Allowance.

[14] Attachment 5 includes the OREC Funding Mechanism.

[15] N.J.A.C. 14:8-6.1.

[16] *Id.*

[17] N.J.A.C. 14:8-6.5(a)(12)(vii).

[18] N.J.A.C. 14:8-6.6(b)(4).

[19] *Id.* at p. 3, an "Energy Year" is defined as the 12-month period from June 1 through May 31 and is numbered according to the calendar year in which it ends.

Per N.J.A.C. 14:8-6.5(a)(12), OREC pricing will be on a pay-for-performance basis. Payments will be made on a $/MWh basis, subject to any quantity caps. The Applicant is responsible for any Project cost overruns. Ratepayers will not be responsible for any cost overruns or for costs associated with non-performance. 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 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.

In return for the sale of ORECs, Qualified Projects are required to return all revenues received, including, but not limited to, from sales of energy, capacity, and, if applicable, ancillary services into PJM's wholesale markets. Other sources of operating revenue ascribable to bilateral sales of various tenors are also required to be returned to ratepayers. The mechanics for the transfer of ORECs and market revenues are addressed in the OREC Funding Mechanism (N.J.A.C. 14:8-6.6), which is included in Attachment 5.

2 TIMELINE AND MECHANICS OF THE SOLICITATION

2.1 Timeline for Submission and Evaluation

The timeline for this solicitation is shown in Table 2.

Table 2. Solicitation Timeline

[Note: Specific dates will be provided when the final Solicitation Guidance Document is released.]

Event	Date
Board Consideration of Solicitation	September 2020 Board Meeting
Solicitation Issued	September 2020
Technical Conference for all prospective Applicants	October 2020
Deadline to Submit Questions	November 2020
OREC Application Submission Deadline	December 2020
Administrative Completeness Determination Deadline	January 2021
Board Decision	June 2021
Post-Application Meeting (if requested by an Applicant)	August 2021

2.2 Website and Technical Conference

The BPU has created a website for this solicitation at *[Note: link will be provided in final Solicitation Guidance Document]*. This website will host all solicitation documents and serve as the main point of contact between the BPU and interested Applicants. The website will also include the portal for submitting Application materials.

A Technical Conference will be held for all prospective Applicants in October 2020 via webinar *[Note: Technical Conference details will be included in final Solicitation Guidance Document.]* Applicants can register for the webinar at *[Note: link will be provided in final Solicitation Guidance Document]*. During the Technical Conference, the BPU will review key details of the solicitation, including Application requirements and evaluation criteria.

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

The Board retains the right to issue an amendment to this Solicitation Guidance Document if needed. Any such amendment will be posted to the solicitation website.

2.3 Application Submission

Applications for Projects seeking to be deemed Qualified Projects must be submitted by the OREC Application Submission Deadline shown in Table 2. Applications must be submitted electronically through the solicitation website. Prospective Applicants must register on the website at *[Note: link will be provided in final Solicitation Guidance Document]*. Applicants will be able to upload documents to the website at any time, but submissions will not be reviewed by the BPU until after the OREC Application Submission Deadline. Applicants are encouraged to begin uploading documents in advance of the OREC Application Submission Deadline to ensure a successful submission. Applicants will receive a receipt confirmation after submitting their Applications.

2.4 Application Requirements

Applicants may offer Projects of any size up to approximately 2,400 MW.[20] Applicants are encouraged to submit Applications covering a range of Project sizes, including Projects smaller than 1,200 MW. There is no limit on the number of Projects that can be included in an Application. This will support the BPU's desire to retain flexibility in its procurement of approximately 1,200 MW to 2,400 MW. Throughout the evaluation process, the BPU will gauge the impact of Project size, or the size of a portfolio of Projects, on all evaluation criteria.

Each Application must include an Application Form for each Project included in the Application (Attachment 1). The Application Form requires summary information and standardized quantitative inputs, including the OREC Purchase Price. In addition, each Application must include an Administrative Completeness Checklist (Attachment 2) to ensure that all the required materials have been submitted, and an Applicant Commitment Form (Attachment 3) signed by a responsible officer.

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

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 Projects. Applicants must submit an incremental Application Deposit of $25,000 for

[20] Projects greater in size than 2,400 MW will be accepted if the addition of the final turbine results in a total nameplate capacity greater than 2,400 MW.

each additional Project included in the Application.[21] The Application Deposit must be paid by a check made out to "Treasurer – State of New Jersey" and sent to the following address such that it will be received before the OREC Application Submission Deadline:

New Jersey Board of Public Utilities
Attn: Chief Fiscal Officer
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

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

Per N.J.A.C. 14:8-6.3(d) the Applicant shall meet with Board Staff and representatives of the Division of Rate Counsel no less than 30 days prior to submission of an Application to discuss all aspects of the Application. Applicants are also required to meet with representatives of the New Jersey Department of Environmental Protection no less than 30 days prior to the submission. Instructions for scheduling meetings with each of these parties will be posted to the solicitation website. Applicants are encouraged to provide regular updates to these parties as the Application is developed.

Once Applications are submitted, Board Staff will make an initial determination of administrative completeness, per N.J.A.C. 14:8-6.4. Board Staff will notify Applicants by email within 30 days after the OREC Application Submission Deadline regarding any identified Application deficiencies. Applicants will then have one week to respond to a deficiency notice. Failure to respond satisfactorily to a deficiency notice will constitute grounds for disqualification.

Once an Applications is deemed administratively complete, Board Staff will evaluate it as described in this document. The BPU has 180 days from the receipt of an administratively complete Application, either at the OREC Application Submission Deadline or upon receipt of a deficiency notice response, to approve, conditionally approve or deny the Application. Board Staff expects to ask Clarifying Questions of Applicants regarding administratively complete Applications throughout the evaluation period. Applicants will have a maximum of two weeks to respond to Clarifying Questions, although Board Staff reserves the right to establish a shorter response period. Board Staff may also schedule interviews with Applicants and request Best and Final Offers. These activities – Clarifying Questions, interviews and Best and Final Offers – are expected to occur in Q1 and Q2 2021. 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 BPU decision in June 2021.

[21] 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, point(s) of interconnection, infrastructure investments, and economic impacts.

After the Board Decision announcing Qualified Projects is made, a post-Application meeting may be requested by each Applicant to receive feedback on their 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. However, the Board appreciates the confidential nature of some of the material that must be submitted with an Application and 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 by the OREC Application Submission Deadline, per the Board's Rules of Practice and Procedure governing submission of confidential materials, N.J.A.C. 14-1-12.1, et seq., and the Open Public Records Act, N.J.S.A. 47:1A-1 et seq. ("OPRA"). The Board intends to post on its website all public versions of all Applicants' submissions after the final Board Order awarding ORECs under this solicitation. The public versions of all documents must also be searchable PDF files, except where a different file type such as Excel is required.

For the confidential version of the Application, Applicants must include a statement identifying each type of data or materials it asserts are exempt from public disclosure under OPRA and/or the common law, and explaining the basis for the proposed redaction. Assertions that the entire Application and/or prices are exempt from public disclosure under OPRA, the common law, or the U.S. Copyright Act are overbroad and will not be honored by the Board. **If an Applicant elects not to seek confidential treatment of their Applications in their initial submittals, the entirety of the Application may be subject to public release.**

Additionally, to facilitate public transparency, any winning Applicant will be required to make additional materials in their bid 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 protection, and other commitments. While there may be limited instances where material may remain confidential post-bid (e.g., turbine and/or foundation supply arrangements, Project financial information), the Board will look to the guidance provided by the Division of Purchase and Property ("DPP") regarding the release of formal procurements as persuasive authority. The DPP rules state, in pertinent part, that "[a]fter the opening of sealed proposals, all information submitted by bidders in response to a solicitation of proposals is considered public information ... except ... as may be exempted from public disclosure by the Open Public Records Act" N.J.A.C. 17:12-1.2(b)-(c).

3 MATERIALS REQUIRED FROM APPLICANTS

The materials to be submitted by prospective Applicants are based on requirements laid out in N.J.A.C. 14:8-6.1 et seq. (Attachment 5), 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 provided pursuant to N.J.A.C. 14:8-6.5, as cited throughout, and additional information deemed necessary by the Board in order to conduct a thorough evaluation of the Application, per N.J.A.C. 14:8-6.5(a)(16).

There are two primary components to the Application: the Application Narrative and the Application Form. The Application Narrative must be a single, standalone document with a detailed table of contents that includes the information described in the following subsections. A single Application Narrative must be submitted that addresses all Projects submitted by an Applicant. The Application Narrative must be a fully searchable PDF document. The Application Narrative must include all the information described in the remainder of this Section 3 and in the order listed herein. For example, Applicant Information 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 section. Instead it may be presented once and cross-referenced as needed. Applicants can include additional relevant information beyond the listed requirements at their discretion.

The Application Form (Attachment 1) is an Excel file that requires entry of quantitative components and must be submitted as a working Excel (.xlsx) file. A separate Application Form must be submitted for each Project included in the Application. A summary of the required inputs is presented in Section 3.17 of this document.

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 Application. Unless specifically required to be provided in a different format such as Excel, attachments should be consolidated for each section of the Application Narrative into a single searchable PDF file with numbered pages, with the file name "Attachments to Section [#]."[22]

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 deemed necessary by the BPU as included in this Solicitation Guidance Document – is included with this document as Attachment 2. A completed Administrative Completeness Checklist must be submitted for each Project as a working Excel (.xlsx) file, and is intended to allow Applicants and evaluators to assess whether an Application is administratively complete. However, it is only a tool for Applicants and evaluators. The ultimate requirements are those contained in this Solicitation Guidance Document, which incorporates references to N.J.A.C. 14:8-6.5 et seq.[23]

Each Applicant must submit an Applicant Commitment Form (Attachment 3) as part of the Application. By signing the Applicant Commitment Form, the Applicant acknowledges that it will comply with terms that will be conditions of any BPU Order granting ORECs. If an Applicant is unable to make any of these

[22] If the attachments to a section of the Application Narrative are too large to be combined into a single file, they may be submitted as separate files with file names "Attachments to Section [#] Part [#]."

[23] See Attachment 5.

commitments, a full explanation must be provided as an attachment to the Applicant Commitment Form when it is submitted.

3.1 Applicant Information

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

- A demonstration of the Applicant's applicable experience in projects of similar size and scope to the proposed Project, including the use of other turbine types *(N.J.A.C. 14:8-6.5(a)(2), N.J.A.C. 14:8-6.5(a)(2)(i)(1));*
- List of all key employees *(N.J.A.C. 14:8-6.5(a)(1)(i))*;
- 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))*.

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):

- The project name, commercial operation date ("COD"), size, turbine type(s), explanation of the Applicant's role in the project, and any other relevant characteristics for each project of similar size and scope to the proposed Project that is listed in accord with the above.

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.:

- Resumes of key employees which identify each employee's 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))*; and
- 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 *(N.J.A.C. 14:8-6.5(a)(3)(vi)).*

The Applicant is not permitted to reallocate or replace the personnel/resources or key employees they used to obtain the OREC award, without prior approval of the Board *(N.J.A.C. 14:8-6.5(a)(1)(vi))*.

3.2 Project Descriptions

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 detailed description of each Project *(N.J.A.C. 14:8-6.5(a)(2))*;
- Specify whether each Project is located at one site, or divided among several 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 will be used for 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))*;
- Indicate whether the Applicant plans to own or lease equipment *(N.J.A.C. 14:8-6.5(a)(2)(i)(9))*;
- 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))*;
- 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):

- Summary of the Projects being submitted by the Applicant and their differentiating characteristics;
- If the selected equipment is not currently commercially available, describe the development status and expected timeframe for the equipment becoming commercially available;
- Identification of the port(s) that will be used to support construction of the Project and the activities that will be conducted at each port;
- Zoning classifications for all land areas that will be used for the Project;
- Whether the Applicant plans to include storage capability;
- If the Applicant plans to include storage capability, the following information must be provided:
    - Type of storage system, including manufacturer and model, if applicable;
    - The location of the storage system and how it is integrated with the Project and with the electric transmission and/or distribution system in New Jersey;
    - Description of the anticipated storage charge / discharge operating regime, including any technology limitations affecting dispatch;
    - Description of how storage will be deployed, e.g., maximize energy revenues, reduce peak demand for electricity, or improve reliable operation of the system;

  - Description of how storage will contribute to maximizing revenues to be returned to customers;
  - Any other benefit provided by the storage system;
- Any new and innovative technologies that will be utilized to reduce the demand for peak electric generation, improve the reliable operation of the electric system, reduce the emissions from electric generation, and/or avoid, minimize, or mitigate environmental and/or fisheries impacts; and
- A detailed description of the vessels that will be used for the construction of the Project, and how Jones Act compliance will be addressed for each vessel and/or vessel class.

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

- 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 the Federal Bureau of Ocean Energy Management, Regulation and Enforcement block numbers (*N.J.A.C. 14:8-6.5(a)(2)(i)(4))*;
- 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))*;[24]
- A demonstration of the financial strength of the selected turbine manufacturer/supplier (*N.J.A.C. 14:8-6.5(a)(2))*;
- A declaration from the foundation manufacturer/supplier that states their ability to manufacture and deliver all foundation within the targeted schedule (*N.J.A.C. 14:8-6.5(a)(2))*;
- A declaration from the undersea cable manufacturer/supplier that states its ability to manufacture and deliver all undersea cable components within the targeted schedule (*N.J.A.C. 14:8-6.5(a)(2))*;
- A letter of intent or memorandum of understanding from the proposed engineering, procurement, and construction ("EPC") contractor, balance of plant ("BOP") contractor, and/or key construction contractors or vendors (*N.J.A.C. 14:8-6.5(a)(2))*;
- Provide evidence that the Applicant has selected certified wind turbine generators or 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)).*

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

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 include the locations of the export cable (generator lead line) route, substation(s), converter station (if applicable), cable landfall location, onshore transmission right-of-way, and point(s) of interconnection;
- A demonstration of the financial strength of the:
    - Selected foundation manufacturer/supplier;
    - Selected undersea cable manufacturer/supplier;
    - Proposed EPC contractor;
    - Proposed BOP contractor;
    - Other key construction contractors or vendors; and
- If the Applicant plans to include storage capability, a diagram showing configuration of storage system with respect to Project facilities and point of interconnection with electric grid.

Subsequent to award, successful Applicants are permitted to replace or update the equipment identified in the Application with more technologically advanced equipment that is equal to or better than the equipment identified in the Application, subject to Board approval *(N.J.A.C. 14:8-6.5(a)(2)(ii))*. Any such replacement shall not increase the OREC Purchase Price or reduce the economic impacts. Applicants are encouraged 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 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)*);[25]
- 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)*);[26]
- 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)*);[27] and

[25] 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.

[26] 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. More granular values will be provided in the Application Form.

[27] Provide a single value (for each Project) representing the total amount of energy that is expected to be generated over the life of the Project equipment other than the turbines.

- 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)*).[28]

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):

- An explanation of how the Annual OREC Allowance, as submitted in the Application Form, is derived from the wind resource and energy assessment.

Attachments to Section 3 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- A wind resource and energy assessment from a wind energy consultant for the exact manufacturer, model and specifications of turbines selected for the Project (*N.J.A.C. 14:8-6.5(a)(2)(v)*); and
- Professional qualifications for the wind energy consultant to demonstrate sufficient expertise; (*N.J.A.C. 14:8-6.5(a)(2)(v)*.

3.4 Financial Analysis

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

- A complete financial analysis of the Project *(N.J.A.C. 14:8-6.5(a)(3);*
- A comprehensive business plan with fully documented estimates of all associated and relied upon revenue and expense projections *(N.J.A.C. 14:8-6.5(a)(3)(iv))*;
- Tax credits, subsidies or grants the Project will qualify for *(N.J.A.C. 14:8-6.5(a)(12)(viii)(2))*;
- Debt service costs and return on equity assumptions *(N.J.A.C. 14:8-6.5(a)(12)(viii)(3))*;
- Taxes and depreciation assumptions *(N.J.A.C. 14:8-6.5(a)(12)(viii)(4))*; and
- The operation and maintenance ("O&M") plan for the Project must be integrated into the financial analysis of the Project *(N.J.A.C. 14:8-6.5(a)(7)(vii)*.

Section 4 of the Application Narrative must also include the following information deemed necessary by the Board in order to conduct a thorough review of the Application, per N.J.A.C. 14:8-6.5(a)(16):

- Coverage ratios for recourse and non-recourse debt tranches; and
- A nominal levelized cost of energy ("LCOE") over the 20-year contract term using a 7% nominal discount rate and the Project's expected 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.:

[28] Provide a single value (for each Project) representing the total amount of energy that is expected to be generated over the 20-year contract term, and a single value (for each Project) representing the total amount of energy that will be generated over the life of the turbines.

- An Excel file containing financial statements for the Project over the development, construction, operation, and decommissioning periods, 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))*;
    - 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 annual earnings before interest, taxes, depreciation, and amortization ("EBITDA") over the 20-year contract term;
- 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 point(s) of interconnection; and
- The full cost accounting of the Project must specifically identify the incremental costs associated with design elements to facilitate future expansion of OSW delivery capability, as described in Section 3.9.

3.5 Project Financing Plan

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

- The proposed method of financing the Project *(N.J.A.C 14:8-6.5(a)(4))*;
- A detailed financial plan *(N.J.A.C 14:8-6.5(a)(4)(iv))*;
- Identification of equity investors, fixed income investors, long and short term debt, and any other sources of capital *(N.J.A.C. 14:8-6.5(a)(4)(i), N.J.A.C. 14:8-6.5(a)(4)(iv))*;
- A demonstrated ability to finance construction through market sources, which may include tax-exempt bond financing through the New Jersey Economic Development Authority *(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)).*

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 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))*.

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))*;[29] 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))*.[30]

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

- The assumed Federal Investment Tax Credit and/or Production Tax Credit that the Applicant expects to be eligible for, and a proposed plan to secure such tax credits.

3.7 Project Revenue Plan & Strategy

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

- A Project revenue plan which forecasts revenues as well as identifies the strategy for offering the electricity provided in the electric market and for generating all expected revenues *(N.J.A.C. 14:8-6.5(a)(6)(i))*;[31]
- Provide an estimate, with documented support, of the amount of electrical capacity the Project will make available that is calculated consistent with PJM rules and procedures (*N.J.A.C. 14:8-6.5(a)(2)(vi)*);
- The Project revenue plan must link the anticipated revenues to the Project time schedule (see Section 3.11) 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

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

[30] 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).

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

- 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))*.

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):

- Describe the approach to calculating a capacity price forecast, and, if different than the proxy used by Board Staff for evaluation, provide an explanation of why the Applicant's approach is preferred;[32] and
- Strategies for maximizing Project revenues and how, if at all, the Applicant intends to address any risk associated with such strategies, including a description of the Applicant's contingency plans to address how capacity revenue may be realized over the contract term in the event that the Project is not eligible to participate in PJM's annual BRA.

The value of electric energy, capacity payments, and any other environmental attributes or other benefits shall be returned to ratepayers for the full contract 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. 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 *(N.J.A.C. 14:8-6.5(a)(12)(ix))*.

3.8 Economic Development Plan

As noted in the requirements below, Applicants will use this section of the Application Narrative to address the expected economic development impacts on New Jersey communities, including any plans to use offshore wind infrastructure already planned for New Jersey, such as the New Jersey Wind Port, as well as any plans to use alternative infrastructure located in New Jersey or elsewhere.[33] Applicants should detail how their supply chain plans will create direct economic benefits, as well as whether the Project(s) will help meet the Governor's goal of making New Jersey a hub for offshore wind construction.

The Board recognizes that different Project configurations may have different economic impacts or involve use of different supply chain components or facilities. Applicants are encouraged to include economic impacts in each Project and to identify whether specific Projects may support greater economic impacts. In calculating economic impacts, Applicants should identify what assumptions they have made regarding economic impacts associated with the first solicitation. Only incremental economic

[32] For evaluation purposes, Board Staff will base capacity proxy prices on the average of the previous three Base Residual Auction ("BRA") resource clearing prices of relevance in New Jersey. *[Note: Numeric detail will be provided in the final Solicitation Guidance Document.]*

[33] See https://nj.gov/windport/index.shtml for information about the New Jersey Wind Port.

impacts specifically related to the Project's development, construction, operation and decommissioning can be included in the Economic Development Plan. To avoid double-counting, Applicants affiliated with prior awardees must ensure that economic impacts associated with the prior award are excluded.

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)*);[34]
- 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)*);[35] and
- A detailed input-output analysis of the impact of the Project on income, employment, wages, indirect business taxes and output[36] 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)*).[37]

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):

- A description of the Applicant's plan for incremental investments in infrastructure, supply chain, workforce development and other offshore wind cluster-building programs, and the associated economic benefits for the State, with a focus on:
    - Workforce development;
    - Use of the marshalling and/or manufacturing facilities at the New Jersey Wind Port; and
    - Development of alternative ports for marshalling, manufacturing, and O&M activities;
- A description of how the economic development plans, including supply chain and other arrangements, will promote effective competition and reduce risk in the offshore wind marketplace;

[34] Applicants are encouraged to be as specific as possible about the specific job types and salaries associated with each Project.

[35] Consequences shall include guaranteed employment and spending by phase, the timeframe for meeting these guarantees and how shortfalls will be made up, such as a trust that would be funded if guarantees are not met. Applicants are encouraged to include consequences that will support workforce development for jobs-related shortfalls.

[36] 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).

[37] 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: Rutgers R/ECON model, Regional Economic Models, Inc. (REMI), MIG Inc. IMPLAN model, and the Bureau of Economic Analysis RIMS II model.

- For each proposed 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;
- A description of the Applicant's plan to use unionized labor for construction and for O&M;
- A description of the Applicant's plan to develop training programs in New Jersey to support expedited learning techniques for industry professionals, including university and community college partnerships designed to educate undergraduate and graduate students across the spectrum of research and development initiatives, including engineering, construction, finance, management and services related to the creation and dissemination of economic benefits in New Jersey;
- Planned in-State spending to support development, construction, O&M, and equipment purchases;
- Planned in-State spending that will support environmental justice communities by providing jobs, grants, training programs, or environmental benefit projects to address historical and cumulative impacts in economically disadvantaged communities, along with an explanation of the nexus between the spending and the Application;[38]
- Method for confirming in-State spending; and
- Descriptions of other programs, initiatives and/or support that the Applicant is committing to, but which may be difficult to quantify, such as:
    - Bringing offshore wind research and development into the State privately or in partnership with universities and/or community colleges;
    - Catalyzing an offshore wind cluster in New Jersey;
    - Actively attracting other supply chain companies to locate in New Jersey (or supporting State government in these efforts);
    - Participating in or sponsoring offshore wind "ecosystem building" activities, e.g., conferences, supplier networking, start-up company mentorship;
    - Participation in workforce development programs, including apprenticeship programs, particularly for environmental justice communities;
    - Providing investment or technical assistance in industry infrastructure development; or
    - Other corporate responsibility commitments.

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))*.[39]

[38] See the DEP Office of Environmental Justice's website at https://www.nj.gov/dep/ej/ for more information about environmental justice communities in New Jersey.

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

3.9 Environmental Protection Plan and Emissions Impacts

Section 9 of the Application Narrative must include the following information required under N.J.A.C. 14:8-6.5(a) et seq.:

- 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))*;
- Specifically describe how the Applicant's activities will be coordinated with the NJDEP Ecological Baseline Studies, and indicate how each resource issue, if impacted, will be addressed *(N.J.A.C. 14:8-6.5(a)(11)(xiv)(2))*;
- The anticipated CO_2 emissions impact of the Project *(N.J.A.C. 14:8-6.5(a)(8))*;[40]
- 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))*;[41]
- 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 3.16) *(N.J.A.C. 14:8-6.5(a)(11)(xiv)(6))*.

Section 9 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):

- Provide information regarding the Project's direct emissions of NO_x during the development, construction, operation, and decommissioning of the Project that is consistent with the emissions impacts reported in the Application Form, including a full accounting of emissions produced from vehicles, vessels, and machinery;
- A plan for transparent reporting of findings related to impacts to marine mammals, sea turtles, and avian species;
- 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, and how the Applicant plans to make such data available to NJDEP and other designated parties;

[40] Must be consistent with data provided in the Application Form.

[41] This information shall encompass the development, construction, operation, and decommissioning of the Project, and be consistent with the emissions impacts reported in the Application Form, including a full accounting of emissions produced from vehicles, vessels, and machinery.

- A plan to address the identified impacts, including any innovative measures to avoid, minimize or mitigate impacts;
- A description of how the Applicant will identify (or has identified) environmental stakeholders, 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 Project design elements that will facilitate future expansion of OSW delivery capability, including potential sharing of offshore or onshore substations with future Qualified Projects, by avoiding, minimizing, or mitigating future incremental environmental impacts, such as reducing the area of seafloor or shoreline disturbance, the number of cable landfalls, or the footprint of the onshore right-of-way or interconnection facilities, e.g., through creation of additional substation bays or laying extra unused conduit;[42]
- A description of lighting controls for the Project;
- 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 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;
- Explicit listing of foundations, assumptions, and conditions used in the quantification and monetization of environmental impacts.

Attachments to 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):

- 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.

3.10 Fisheries Protection Plan

Section 10 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):

- 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;
- A scientifically rigorous plan to detect impacts to marine resources, including biota and recreational and commercial fisheries;
- 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;

[42] If the Project does not include such design elements, a rationale for exclusion must be provided.

- 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 finfish and shellfish, and how the Applicant plans to make such data available to NJDEP and other designated parties;
- A plan for transparent reporting of findings related to marine resources, effects, and impacts;
- 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) fisheries stakeholders, 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 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.

3.11 Project Timeline

Section 11 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))*;
- Indicate the equipment's delivery time once an order has been placed *(N.J.A.C. 14:8-6.5(a)(2)(i)(12))*;[43]
- 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))*.

3.12 Interconnection Plan

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 plan for interconnection, including engineering specifications and costs *(N.J.A.C. 14:8-6.5(a)(14))*;
- A description of the point(s) of interconnection the Project intends to use *(N.J.A.C. 14:8-6.5(a)(2))*;
- 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))*;[44]

[43] Include this information for wind turbine generators, foundations, undersea cables, and all other key Project components.

- 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 *(N.J.A.C. 14:8-6.5(a)(14)(i))*;[45]
- 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))*;
- 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))*;
- 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))*;
- 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
- Information for costs associated with network upgrades that flow from the Project even if not directly caused by the interconnection *(N.J.A.C. 14:8-6.5(a)(14)(vi))*.

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):

- Address how the interconnection plan and design can support the State's future offshore development goals, including discussion of the following:
    - Ability for the Project to work synergistically with any future offshore transmission grid, including willingness to make its interconnection facilities available to future integrated offshore wind transmission solutions willing to refund its *pro rata* share of any upgrades costs, as well as reach commercially reasonably terms on indemnification;
    - Ability to make some portion of its interconnection facilities available to future Qualified Projects willing to refund its *pro rata* share of any upgrade costs, as well as reach commercially reasonably terms on indemnification;
    - Potential sharing of offshore or onshore substations with future Qualified Projects through creation of additional substation bays or laying extra unused conduit and
    - Other means by which the Project's interconnection plan may aid the State in meeting its goal of achieving 7,500 MW of offshore wind by 2035 in a cost effective manner.

Attachments to Section 12 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):

- Supporting documentation for the P50 and P90 estimates of Transmission System Upgrade Costs ("TSUC") reported in the Application Form; and[46,47]

[44] This can be demonstrated by providing the Project's PJM queue position or evidence that the Project has applied for a PJM queue position.

[45] Each proposed point of interconnection shall be discussed.

[46] TSUC are the onshore transmission owner upgrades necessitated by the Project's interconnection request. They do not include the offshore substation and all associated facilities up to the transmission owner's point of interconnection.

- Any draft or final interconnection studies conducted by PJM or by a third party, including the Feasibility Study, System Impact Study, and Facility Study relating to the proposed Project.[48]

3.13 Permitting Plan

Section 13 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 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):

- A list of all local regulatory agency approvals, permits, or other authorizations required pursuant to local law;
- A strategy, including the expected timeline (aligned with the Project Timeline described in Section 3.11), to obtain each required permit and/or approval;
- Identify the land ownership requirements for the port facilities included in the Project; and

[47] The P90 estimate of TSUC represents a worse case estimate of required system upgrade costs to accommodate the Project injection at one or more points of interconnection as set forth in the Application. The Applicant is responsible for defining the operating conditions that would be likely to materially increase TSUC relative to the P50 estimate of TSUC.

[48] Any Critical Energy Infrastructure Information ("CEII") may be filed subject to the confidentiality claims discuss in Section 2.5.

- Identify each appropriate State or Federal agency the Applicant has contacted for land acquisition issues and provide a summary of the required arrangements.

Attachments to Section 13 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))*.

3.14 O&M 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.:

- 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))*;[49]
- 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))*; and
- 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))*.

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):

- 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;

[49] Climatic risks should also be included in the identification of risks.

- 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; and
- 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.

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.:

- Proof of insurance typical of the industry *(N.J.A.C. 14:8-6.5(a)(7)(vi))*; and
- A complete O&M plan for the life of the plant *(N.J.A.C. 14:8-6.5(a)(7)(viii))*.

3.15 Decommissioning 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.:

- 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))*;
- 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))*.

3.16 Cost-Benefit Analysis

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

- The cost-benefit analysis for the Project, to show net benefits for the State *(N.J.A.C. 14:8-6.5(a)(11))*;
- Ratepayer net costs with explicit listing of foundations, assumptions and conditions, consistent with the Project's financial analysis (see Section 3.4), revenue plan (see Section 3.7) and values submitted in the Application Form *(N.J.A.C. 14:8-6.5(a)(11)(ii))*;[50]
- Direct, indirect and induced effects of the economic development plan described in Section 3.8 *(N.J.A.C. 14:8-6.5(a)(11)(ix))*;
- Environmental net benefits, quantified and monetized as described in Section 3.9, with explicit listing of foundations, assumptions and conditions *(N.J.A.C. 14:8-6.5(a)(11)(iii))*;

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

- Provide 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))*; 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 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):

- 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.

3.17 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))*;[51]
- 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))*;[52]
- 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))*;[53,54]
- Net yearly energy output for the Project, accounting for losses *(N.J.A.C. 14:8-6.5(a)(2)(v))*;[55,56]
- The number of ORECs to be produced by the Project (*N.J.A.C. 14:8-6.5(a)(12)(viii)(7))*;[57]
- 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

[51] N.J.A.C. 14:8-6.5(a)(6)(iv) refers to "installed capacity." For purposes of this Solicitation Guidance Document, the terms "nameplate capacity" and "installed capacity" are used synonymously.

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

[53] 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 Solicitation Guidance Document, the terms "electrical output," "energy production," "energy output," and "generation" are used synonymously.

[54] 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.

[55] Net yearly energy output should reflect the projected electrical output, and also be net of learning and degradation effects.

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

[57] Calculated automatically based on expected delivered energy over the contract term.

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))*;[58,59]

- 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));*[60] 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)*).[61]

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):

- Secondary contact person and contact information;
- BOEM lease area;
- Number of capacity installation phases;
- Wind turbine generator nameplate capacity and COD for each capacity installation phase;[62]
- 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 (accounting for losses);[63]
- Annual OREC Allowance, consistent with the estimated energy output;
- Parameters to determine Buyer's share of PJM's final TSUC, including:
    - Tier 1 Cost Limit (Nominal $): Seller will absorb 100% of the TSUC up to this limit within the All-In OREC Purchase Price;
    - Tier 2 Cost Limit (Nominal $) and Tier 2 Seller Share (percentage): Seller will absorb the Tier 2 Seller Share of TSUC between the Tier 1 Cost Limit and the Tier 2 Cost Limit within the All-In OREC Purchase Price;
    - Tier 3 Cost Limit (Nominal $) and Tier 3 Seller Share (percentage): Seller will absorb the Tier 3 Seller Share of TSUC between the Tier 2 Cost Limit and the Tier 3 Cost Limit within the All-In OREC Purchase Price;[64]

[58] The All-In OREC Purchase Price must be entered for each Energy Year of the 20-year contract period in nominal $/OREC, levelized for 20 years or escalated at a fixed rate not exceeding 3% and consistent with the financial analysis presented in Section 3.4.

[59] 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.

[60] The Application Form requires a monthly forecast of energy prices and an annual forecast of capacity prices.

[61] Board Staff may ask the Applicant to re-run 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))*.

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

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

[64] Buyer will be responsible for 100% of TSUC greater than the Tier 3 Cost Limit. The Buyer's Share of the TSUC and resultant increase, if any, to the OREC Purchase Price will be determined after PJM has finalized the TSUC calculations for an awarded Project.

    - Required rate of return for annuitization of Buyer's share of PJM's final TSUC;
- A P50 estimate for the required TSUC for the Project;
- A P90 estimate for the required TSUC for the Project;
- The portion of the All-In OREC Purchase Price in nominal $/OREC for the first Energy Year that represents Seller's Share of TSUC;[65]
- Interconnection zone;
- Expected annual direct in-state jobs creation, labor expenditures, and total expenditures by phase (development, construction, operation, and decommissioning);[66]
- Guaranteed minimum total in-state jobs creation, labor expenditures, and total expenditures by phase (development, construction, operation, and decommissioning);
- Expected total annual in-state indirect and induced economic impacts, including jobs creation, labor expenditures, and total expenditures, as calculated by the input-output model;
- Annual direct emissions of CO_2, SO_2, 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 CO_2, SO_2, NO_x, and $PM_{2.5}$ during operation of the Project; and
- If the Applicant plans to include storage capability, the following information must be provided:
    - Storage nameplate capacity for each capacity installation phase;
    - Energy storage capacity for each capacity installation phase;
    - Maximum discharge rate;
    - Maximum charge rate;
    - Maximum generation duration at full output; and
    - Average annual cycle efficiency.

4 CRITERIA FOR EVALUATION OF APPLICATIONS

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

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

The Applications will be evaluated by six criteria which reflect the requirements of OWEDA, the Board's rules and the goals of New Jersey's OSW policy. The goals are: to promote economic development by jump-starting an OSW supply chain in the State; to combat the threat of global climate change to New Jersey; and to achieve these first two goals at the lowest reasonable cost and lowest risk to New Jersey ratepayers. The six criteria are:

[65] This value may be used to adjust the OREC Purchase Price downward in the event that a ratepayer funded transmission investment reduces or eliminates the Project's TSUC.

[66] Total in-state expenditures must include the expenditures related to jobs.

1. **OREC Purchase Price** – This includes meeting the requirement for a fixed pay-for-performance price, and the implied subsidy above market prices, as well as plans for maximizing revenue from the sales of energy, capacity, and ancillary services, which are credited back to ratepayers.
2. **Economic impacts** – This includes, among other metrics, the number of 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 facilities.
3. **Ratepayer impacts** – This includes the average increase in residential and industrial customer bills. The Board will also consider the timing of any rate impacts.
4. **Environmental impacts** – This includes the net reductions of pollutants for each MWh generated and the feasibility and strength of the Applicant's plan to avoid, minimize, or mitigate onshore and offshore environmental impacts created by Project construction and operation, including the impact on surrounding land use, communities, and environmentally and culturally sensitive areas. This evaluation criterion also includes consideration of Project design elements that will facilitate future expansion of OSW delivery capability and avoid, minimize, or mitigate future incremental environmental impacts, such as reducing the area of seafloor or shoreline disturbance, the number of cable landfalls, or the footprint of the onshore right-of-way or interconnection facilities.
5. **The strength of guarantees for economic impacts** – This includes all measures proposed to assure that claimed in-state expenditures and jobs commitments will materialize, as well as the relevance of the consequences for shortfalls to the nature of the shortfalls, e.g., mitigating jobs shortfalls by investing in workforce development.
6. **Likelihood of successful commercial operation** – This includes feasibility of Project timelines, permitting plans, equipment and labor supply plans, feasibility of port facilities and marshalling plans, and the current progress displayed in achieving these plans.

Ranking and weighting of the six criteria by the BPU will reflect the goals of the solicitation especially as stated in EO8 and EO92. 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 3. Weighting of Evaluation Criteria

Criterion	Weight
OREC Purchase Price and Ratepayer Impacts	50%
Economic Impacts and Strength of Guarantees for Economic Impacts	20%
Environmental Impacts	20%
Likelihood of Successful Commercial Operation	10%

The evaluation of OREC Purchase Prices will be based on the levelized price per MWh. The quantitative impact of the total award capacity on the level of Ratepayer Impacts will be considered in the selection of Qualified Projects.

In the evaluation of Economic Impacts and Strength of Guarantees for Economic Impacts, guaranteed employment impacts and in-State spending will be given more weight than planned, but not guaranteed, employment and spending. Non-guaranteed direct employment and spending will be given

more weight than indirect and induced economic impacts. Further, Board Staff's evaluation will consider whether there is a clear nexus between any shortfall in a particular class of economic benefits and the mitigation measures that are designed to make up for that shortfall.

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.

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

Attachment 1
Application Form

New Jersey OREC Application Form for Qualified Offshore Wind Projects

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 9 phases)*
Is storage included in the Project?		
Capacity Installation Phase	**1**	
CO Date		
WTG Nameplate Capacity (MW)		
Storage Nameplate Capacity (MW)		
Energy Storage Capacity (MWh)		
Total WTG Nameplate Capacity (MW)	**0.0**	
Total Storage Nameplate Capacity (MW)	**0.0**	
Total Energy Storage Capacity (MWh)	**0.0**	

Performance

Expected Annual Generation (MWh)	**#N/A**	*(calculated based on first full calendar year that all phases are operating)*
Expected Capacity Factor	**#N/A**	*(calculated based on first full calendar year that all phases are operating)*
Expected Annual Delivered Energy	**#N/A**	*(calculated based on first full calendar year that all phases are operating)*
Expected Capacity Factor (net of losses)	**#N/A**	*(calculated based on first full calendar year that all phases are operating)*
Annual OREC Allowance		
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

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

12x24 Profile of Expected 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

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.

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	Average
2024													#N/A
2025													#N/A
2026													#N/A
2027													#N/A
2028													#N/A
2029													#N/A
2030													#N/A
2031													#N/A
2032													#N/A
2033													#N/A
2034													#N/A
2035													#N/A
2036													#N/A
2037													#N/A
2038													#N/A
2039													#N/A
2040													#N/A
2041													#N/A
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2058													#N/A
2059													#N/A
2060													#N/A
Mean	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#N/A

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	Average
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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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

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
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
2055	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
2057	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
2059	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
												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
2055	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
2057	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
2059	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
												Total	0

Expected Delivered Energy by Month and Energy Year (MWh)

CALCULATED from Expected Generation and Delivered Energy as a Fraction of Expected Generation

Month	6	7	8	9	10	11	12	1	2	3	4	5	
Energy Year	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	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
2055	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
2057	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
2059	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
												Total	0

New Jersey OREC Application Form for Qualified Offshore Wind Projects

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

(if storage is not offered, data entry cells will be grayed out)

Information entered on this worksheet must be inclusive of all capacity installation phases.

Maximum Discharge Rate (MW)	
Maximum Charge Rate (MW)	
Maximum Generation Duration at Full Output (hours)	**#DIV/0!**

Calendar Year	Average Annual Cycle Efficiency (%)
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
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2054	
2055	
2056	
2057	
2058	
2059	
2060	

New Jersey OREC Application Form for Qualified Offshore Wind Projects

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

First Energy Year All-In OREC Purchase Price ($/OREC)	
Escalation Rate	

Energy Year	All-In OREC Purchase Price ($/OREC)
2024	FALSE
2025	$0.00
2026	$0.00
2027	$0.00
2028	$0.00
2029	$0.00
2030	$0.00
2031	$0.00
2032	$0.00
2033	$0.00
2034	$0.00
2035	$0.00
2036	$0.00
2037	$0.00
2038	$0.00
2039	$0.00
2040	$0.00
2041	$0.00
2042	$0.00
2043	$0.00
2044	$0.00
2045	$0.00
2046	$0.00
2047	$0.00
2048	$0.00
2049	$0.00
2050	$0.00
2051	$0.00
2052	$0.00
2053	$0.00
2054	$0.00
2055	$0.00
2056	$0.00
2057	$0.00
2058	$0.00
2059	$0.00
2060	$0.00

Transmission System Upgrade Cost Sharing Parameters

Tier 1 Cost Limit ($)	
Tier 2 Cost Limit ($)	
Tier 2 Seller Share	
Tier 3 Cost Limit ($)	
Tier 3 Seller Share	
Required Rate of Return	
P50 Estimate of Required Project TSUC ($)	
P90 Estimate of Requred Project TSUC ($)	
Portion of First Energy Year All-In OREC Purchase Price that represents Seller's Share of TSUC ($/OREC)	

New Jersey OREC Application Form for Qualified Offshore Wind Projects

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

Interconnection Zone

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	
Calendar Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Energy Revenue ($)
2024													
2025													
2026													
2027													
2028													
2029													
2030													
2031													
2032													
2033													
2034													
2035													
2036													
2037													
2038													
2039													
2040													
2041													
2042													
2043													
2044													
2045													
2046													
2047													
2048													
2049													
2050													
2051													
2052													
2053													
2054													
2055													
2056													
2057													
2058													
2059													
2060													

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			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
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2050			
2051			
2052			
2053			
2054			
2055			
2056			
2057			
2058			
2059			
2060			

REC Cost Forecast

Energy Year	Class I REC Cost ($/REC)
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
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2042	
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2052	
2053	
2054	
2055	
2056	
2057	
2058	
2059	
2060	

Miscellaneous Other Revenue Streams

Enter description in column header

Energy Year			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
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2037			
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2051			
2052			
2053			
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2056			
2057			
2058			
2059			
2060			

Energy Year	Total Revenues ($)
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
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2059	
2060	

New Jersey OREC Application Form for Qualified Offshore Wind Projects

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

Annual Direct Emissions by Phase (short tons)

Calendar Year	Development				Construction				Operation				Decommissioning			
	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	$PM_{2.5}$
2021																
2022																
2023																
2024																
2025																
2026																
2027																
2028																
2029																
2030																
2031																
2032																
2033																
2034																
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2059																
2060																
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

Avoided Emissions (short tons)

Calendar Year	Operation			
	CO_2	SO_2	NO_x	$PM_{2.5}$
Total	0.000	0.000	0.000	0.000

New Jersey OREC Application Form for Qualified Offshore Wind Projects

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

Enter real 2020 $ (in millions) for all monetary values.

Expected Annual Direct In-State Jobs Creation, Labor Expenditures, and Total Expenditures by Activity Phase

	Development			Construction			Operation			Decommissioning		
Calendar Year	In-State Jobs Creation (FTEs)	In-State Labor Expenditures ($ Mil)	In-State Total Expenditures ($ Mil)	In-State Jobs Creation (FTEs)	In-State Labor Expenditures ($ Mil)	In-State Total Expenditures ($ Mil)	In-State Jobs Creation (FTEs)	In-State Labor Expenditures ($ Mil)	Total In-State Expenditures ($)	In-State Jobs Creation (FTEs)	In-State Labor Expenditures ($ Mil)	In-State Total Expenditures ($ Mil)
2021												
2022												
2023												
2024												
2025												
2026												
2027												
2028												
2029												
2030												
2031												
2032												
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2051												
2052												
2053												
2054												
2055												
2056												
2057												
2058												
2059												
2060												
Total	0.0	$ -	$ -	0.0	$ -	$ -	0.0	$ -	$ -	0.0	$ -	$ -

Guaranteed Minimum Total Direct In-State Jobs Creation, Labor Expenditures, and Total Expenditures by Activity Phase

Development			Construction			Operation			Decommissioning		
In-State Jobs Creation (FTEs)	In-State Labor Expenditures ($ Mil)	In-State Total Expenditures ($ Mil)	In-State Jobs Creation (FTEs)	In-State Labor Expenditures ($ Mil)	In-State Total Expenditures ($ Mil)	In-State Jobs Creation (FTEs)	In-State Labor Expenditures ($ Mil)	In-State Total Expenditures ($ Mil)	In-State Jobs Creation (FTEs)	In-State Labor Expenditures ($ Mil)	In-State Total Expenditures ($ Mil)

Expected Annual Total Indirect and Induced In-State Economic Effects

	Indirect Economic Impacts			Induced Economic Impacts		
Calendar Year	In-State Jobs Creation (FTEs)	In-State Labor & Prop(r) Income ($ Mil)	In-State Value Added ($ Mil)	In-State Jobs Creation (FTEs)	In-State Labor & Prop(r) Income ($ Mil)	In-State Value Added ($ Mil)
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
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2049						
2050						
2051						
2052						
2053						
2054						
2055						
2056						
2057						
2058						
2059						
2060						
Total	0.0	$ -	$ -	0.0	$ -	$ -

New Jersey OREC Application Form for Qualified Offshore Wind Projects

Electric Generation Facility Summer Breeze
Applicant ABC Wind Development
Project Name 1200 MW with Port Development

Enter real 2020 $ (in millions) for all monetary values.
Sub component items may be repeated for the amount assigned to different NAICS industries.
Labor Time and Labor Cost, if either or both provided, will override the BPU model's default input-output parameters.
The Operation Stage bill-of-goods for the last year with values will be extrapolated until decommissioning begins.
More rows, if needed, may be added in each stage's bill-of-goods items.

Development Activity Phase Bill-of-Goods

							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)		1	2	3	4	5	6	7

Construction Activity Phase Bill-of-Goods

							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)		1	2	3	4	5	6	7

Operation Activity Phase Bill-of-Goods

							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)		1	2	3	4	5	6	7

Decommissioning Activity Phase Bill-of-Goods

							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)		1	2	3	4	5	6	7

Attachment 2
Administrative Completeness Checklist

New Jersey Board of Public Utilities

Offshore Wind Solicitation #2

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			
Section	**Requirement**	**Complete?**	**Reference**
	Applicant Commitment Form	No	
	Application Deposit of $500,000 (by check) [Note: Deposit amount will adjust based on number of Projects in Cell C11]	No	
1 - Applicant Information	A demonstration of the Applicant's applicable experience in projects of similar size and scope to the proposed Project, including the use of other turbine types *(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 *(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)(ii))*	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))*	No	
	The project name, commercial operation date ("COD"), size, turbine type(s), explanation of the Applicant's role in the project, and any other relevant characteristics for each project of similar size and scope to the proposed Project that is listed in accord with the above	No	
	Resumes of key employees which identify each employee's 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	
	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 *(N.J.A.C. 14:8-6.5(a)(3)(vi))*	No	
2 - Project Descriptions	A detailed description of each Project (N.J.A.C. 14:8-6.5(a)(2))	No	
	Specify whether each Project is located at one site, or divided among several sites *(N.J.A.C. 14:8-6.5(a)(2)(i)(6))*	No	
	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	
	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	

Section	Requirement	Complete?	Reference
	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	
	Indicate whether the Applicant plans to own or lease equipment *(N.J.A.C. 14:8-6.5(a)(2)(i)(9))*	No	
	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	
	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	
	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	
	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	
	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	
	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	
	Summary of the Projects being submitted by the Applicant and their differentiating characteristics	No	
	If the selected equipment is not currently commercially available, describe the development status and expected timeframe for the equipment becoming commercially available	No	
	Identification of the port(s) that will be used to support construction of the Project and the activities that will be conducted at each port	No	
	Zoning classifications for all land areas that will be used for the Project	No	
	Whether the Applicant plans to include storage capability	No	
	Type of storage system, including manufacturer and model, if applicable	No	
	The location of the storage system and how it is integrated with the Project and with the electric transmission and/or distribution system in New Jersey	No	
	Description of the anticipated storage charge / discharge operating regime, including any technology limitations affecting dispatch	No	
	Description of how storage will be deployed, e.g., maximize energy revenues, reduce peak demand for electricity, or improve reliable operation of the system	No	
	Description of how storage will contribute to maximizing revenues to be returned to customers	No	
	Any other benefit provided by the storage system	No	
	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	
	A detailed description of the vessels that will be used for the construction of the Project, and how Jones Act compliance will be addressed for each vessel and/or vessel class	No	
	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	

Section	Requirement	Complete?	Reference
	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 (*N.J.A.C. 14:8-6.5(a)(2)(i)(4))*	No	
	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))*	No	
	A demonstration of the financial strength of the selected turbine manufacturer/supplier (*N.J.A.C. 14:8-6.5(a)(2))*	No	
	A declaration from the foundation manufacturer/supplier that states their ability to manufacture and deliver all foundation within the targeted schedule (*N.J.A.C. 14:8-6.5(a)(2))*	No	
	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))*	No	
	A letter of intent or memorandum of understanding from the proposed engineering, procurement, and construction ("EPC") contractor, balance of plant ("BOP") contractor, and/or key construction contractors or vendors (*N.J.A.C. 14:8-6.5(a)(2))*	No	
	Provide evidence that the Applicant has selected certified wind turbine generators or a detailed certification plan that is underwritten by a certifying body (*N.J.A.C. 14:8-6.5(a)(2))*	No	
	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))*	No	
	The maps, surveys and other visual aids must also include the locations of the export cable (generator lead line) route, substation(s), converter station (if applicable), cable landfall location, onshore transmission right-of-way, and point(s) of interconnection	No	
	A demonstration of the financial strength of the selected foundation manufacturer/supplier	No	
	A demonstration of the financial strength of the selected undersea cable manufacturer/supplier	No	
	A demonstration of the financial strength of the proposed EPC contractor	No	
	A demonstration of the financial strength of the proposed BOP contractor	No	
	A demonstration of the financial strength of the other key construction contractors or vendors	No	
	If the Applicant plans to include storage capability, a diagram showing configuration of storage system with respect to Project facilities and point of interconnection with electric grid	No	
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 (*N.J.A.C. 14:8-6.5(a)(2)(v))*	No	
	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))*	No	
	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))*	No	
	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))*	No	
	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	
	An explanation of how the Annual OREC Allowance, as submitted in the Application Form, is derived from the wind resource and energy assessment	No	

Section	Requirement	Complete?	Reference
	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	
	Professional qualifications for the wind energy consultant to demonstrate sufficient expertise; (*N.J.A.C. 14:8-6.5(a)(2)(v)*)	No	
4 - Financial Analysis	A complete financial analysis of the Project *(N.J.A.C. 14:8-6.5(a)(3)*	No	
	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	
	Tax credits, subsidies or grants the Project will qualify for *(N.J.A.C. 14:8-6.5(a)(12)(viii)(2))*	No	
	Debt service costs and return on equity assumptions *(N.J.A.C. 14:8-6.5(a)(12)(viii)(3))*	No	
	Taxes and depreciation assumptions *(N.J.A.C. 14:8-6.5(a)(12)(viii)(4))*	No	
	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	
	Coverage ratios for recourse and non-recourse debt tranches	No	
	A nominal levelized cost of energy ("LCOE") over the 20-year contract term using a 7% nominal discount rate and the Project's expected output, as reported in the Application Form	No	
	An Excel file containing financial statements for the Project over the development, construction, operation, and decommissioning periods	No	
	Pro forma income statements *(N.J.A.C. 14:8-6.5(a)(3)(i))*	No	
	Balance sheets *(N.J.A.C. 14:8-6.5(a)(3)(ii))*	No	
	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	
	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	
	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	
	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	
	The Project financial statements must include the annual earnings before interest, taxes, depreciation, and amortization ("EBITDA") over the 20-year contract term	No	
	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 point(s) of interconnection	No	
	The full cost accounting of the Project must specifically identify the incremental costs associated with design elements to facilitate future expansion of OSW delivery capability	No	
5 - Project Financing Plan	The proposed method of financing the Project *(N.J.A.C 14:8-6.5(a)(4))*	No	
	A detailed financial plan *(N.J.A.C 14:8-6.5(a)(4)(iv))*	No	
	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))*	No	
	A demonstrated ability to finance construction through market sources, which may include tax-exempt bond financing through the New Jersey Economic Development Authority *(N.J.A.C. 14:8-6.5(a)(4)(iii))*	No	
	Names, functions, and fees of all financial and legal advisors *(N.J.A.C. 14:8-6.5(a)(4)(iv))*	No	

Section	Requirement	Complete?	Reference
	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))*	No	
	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	
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	
	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	
	The assumed Federal Investment Tax Credit and/or Production Tax Credit that the Applicant expects to be eligible for, and a proposed plan to secure such tax credits	No	
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	
	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	
	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	
	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	
	Describe the approach to calculating a capacity price forecast, and, if different than the proxy used by Board Staff for evaluation, provide an explanation of why the Applicant's approach is preferred	No	
	Strategies for maximizing Project revenues and how, if at all, the Applicant intends to address any risk associated with such strategies, including a description of the Applicant's contingency plans to address how capacity revenue may be realized over the contract term in the event that the Project is not eligible to participate in PJM's annual BRA	No	
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	
	Method for confirming employment impacts (*N.J.A.C. 14:8-6.5(a)(11)(vi))*	No	
	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	
	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	
	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	

Section	Requirement	Complete?	Reference
	A description of the Applicant's plan for incremental investments in infrastructure, supply chain, workforce development and other offshore wind cluster-building programs, and the associated economic benefits for the State, with a focus on workforce development; use of the marshalling and/or manufacturing facilities at the New Jersey Wind Port; and development of alternative ports for marshalling, manufacturing, and O&M activities	No	
	A description of how the economic development plans, including supply chain and other arrangements, will promote effective competition and reduce risk in the offshore wind marketplace	No	
	For each proposed 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	
	A description of the Applicant's plan to use unionized labor for construction and for O&M	No	
	A description of the Applicant's plan to develop training programs in New Jersey to support expedited learning techniques for industry professionals, including university and community college partnerships designed to educate undergraduate and graduate students across the spectrum of research and development initiatives, including engineering, construction, finance, management and services related to the creation and dissemination of economic benefits in New Jersey	No	
	Planned in-State spending to support development, construction, O&M, and equipment purchases	No	
	Planned in-State spending that will support environmental justice communities by providing jobs, grants, training programs, or environmental benefit projects to address historical and cumulative impacts in economically disadvantaged communities, along with an explanation of the nexus between the spending and the Application	No	
	Method for confirming in-State spending	No	
	Descriptions of other programs, initiatives and/or support that the Applicant is committing to, but which may be difficult to quantify, such as bringing offshore wind research and development into the State privately or in partnership with universities and/or community colleges; catalyzing an offshore wind cluster in New Jersey; actively attracting other supply chain companies to locate in New Jersey (or supporting State government in these efforts); participating in or sponsoring offshore wind "ecosystem building" activities, e.g., conferences, supplier networking, start-up company mentorship; participation in workforce development programs, including apprenticeship programs, particularly for environmental justice communities; providing investment or technical assistance in industry infrastructure development; or other corporate responsibility commitments	No	
	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	
9 - 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	
	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))*	No	
	Specifically describe how the Applicant's activities will be coordinated with the NJDEP Ecological Baseline Studies, and indicate how each resource issue, if impacted, will be addressed *(N.J.A.C. 14:8-6.5(a)(11)(xiv)(2))*	No	
	The anticipated CO_2 emissions impact of the Project *(N.J.A.C. 14:8-6.5(a)(8))*	No	

Section	Requirement	Complete?	Reference
	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	
	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	
	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	
	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	
	Provide information regarding the Project's direct emissions of NO_x during the development, construction, operation, and decommissioning of the Project that is consistent with the emissions impacts reported in the Application Form, including a full accounting of emissions produced from vehicles, vessels, and machinery	No	
	A plan for transparent reporting of findings related to impacts to marine mammals, sea turtles, and avian species	No	
	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, and how the Applicant plans to make such data available to NJDEP and other designated parties	No	
	A plan to address the identified impacts, including any innovative measures to avoid, minimize or mitigate impacts	No	
	A description of how the Applicant will identify (or has identified) environmental stakeholders, 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	
	A description of Project design elements that will facilitate future expansion of OSW delivery capability, including potential sharing of offshore or onshore substations with future Qualified Projects, by avoiding, minimizing, or mitigating future incremental environmental impacts, such as reducing the area of seafloor or shoreline disturbance, the number of cable landfalls, or the footprint of the onshore right-of-way or interconnection facilities, e.g., through creation of additional substation bays or laying extra unused conduit	No	
	A description of lighting controls for the Project	No	
	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	
	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	
	Explicit listing of foundations, assumptions, and conditions used in the quantification and monetization of environmental impacts	No	
	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	
10 - 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	
	A scientifically rigorous plan to detect impacts to marine resources, including biota and recreational and commercial fisheries	No	

Section	Requirement	Complete?	Reference
	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	
	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	
	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 finfish and shellfish, and how the Applicant plans to make such data available to NJDEP and other designated parties	No	
	A plan for transparent reporting of findings related to marine resources, effects, and impacts	No	
	An explanation of how the Applicant will provide reasonable accommodations to commercial and recreational fishing for efficient and safe access to fishing grounds	No	
	A description of how the Applicant will identify (or has identified) fisheries stakeholders, 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 stakeholder concerns were addressed	No	
	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	
11 - Project Timeline	A timeline for the permitting, licensing, and construction of the Project *(N.J.A.C. 14:8-6.5(a)(13)*	No	
	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	
	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	
	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	
12 - Interconnection Plan	A plan for interconnection, including engineering specifications and costs *(N.J.A.C. 14:8-6.5(a)(14))*	No	
	A description of the point(s) of interconnection the Project intends to use *(N.J.A.C. 14:8-6.5(a)(2))*	No	
	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))*	No	
	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 *(N.J.A.C. 14:8-6.5(a)(14)(i))*	No	
	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	
	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	
	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	
	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	
	Information for costs associated with network upgrades that flow from the Project even if not directly caused by the interconnection *(N.J.A.C. 14:8-6.5(a)(14)(vi))*	No	

Section	Requirement	Complete?	Reference
	Address how the interconnection plan and design can support the State's future offshore development goals, including discussion of the ability for the Project to work synergistically with any future offshore transmission grid, including willingness to make its interconnection facilities available to future integrated offshore wind transmission solutions willing to refund its pro rata share of any upgrades costs, as well as reach commercially reasonably terms on indemnification; ability to make some portion of its interconnection facilities available to future Qualified Projects willing to refund its pro rata share of any upgrade costs, as well as reach commercially reasonably terms on indemnification; potential sharing of offshore or onshore substations with future Qualified Projects through creation of additional substation bays or laying extra unused conduit; and other means by which the Project's interconnection plan may aid the State in meeting its goal of achieving 7,500 MW of offshore wind by 2035 in a cost effective manner.	No	
	Supporting documentation for the P50 and P90 estimates of Transmission System Upgrade Costs ("TSUC") reported in the Application Form	No	
	Any draft or final interconnection studies conducted by PJM or by a third party, including the Feasibility Study, System Impact Study, and Facility Study relating to the proposed Project	No	
13 - 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	
	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	
	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	
	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	
	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	
	Indicate the type and number of entities securing leases or owning land *(N.J.A.C. 14:8-6.5(a)(10)(v))*	No	
	A plan for accomplishing remaining steps toward acquiring leases or land ownership *(N.J.A.C. 14:8-6.5(a)(10)(v))*	No	
	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	
	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	
	A list of all local regulatory agency approvals, permits, or other authorizations required pursuant to local law	No	
	A strategy, including the expected timeline, to obtain each required permit and/or approval	No	
	Identify the land ownership requirements for the port facilities included in the Project	No	
	Identify each appropriate State or Federal agency the Applicant has contacted for land acquisition issues and provide a summary of the required arrangements	No	
	Copies of all submitted permit applications and any issued approvals and permits *(N.J.A.C. 14:8-6.5(a)(10))*	No	
	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	
14 - 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	
	Detail routine, intermittent, and emergency protocols *(N.J.A.C. 14:8-6.5(a)(7)(i))*	No	
	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	

Section	Requirement	Complete?	Reference
	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	
	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	
	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	
	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	
	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	
	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	
	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	
	Proof of insurance typical of the industry *(N.J.A.C. 14:8-6.5(a)(7)(vi))*	No	
	A complete O&M plan for the life of the plant *(N.J.A.C. 14:8-6.5(a)(7)(viii))*	No	
15 - 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	
	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	
	Specify a Project decommissioning plan for the technology and installation area proposed *(N.J.A.C. 14:8-6.5(a)(9)(i))*	No	
	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	
	Provide for the necessary future funding. Segregated decommissioning funds shall be required *(N.J.A.C. 14:8-6.5(a)(9)(ii))*	No	
16 - 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	
	Ratepayer net costs with explicit listing of foundations, assumptions and conditions, consistent with the Project's financial analysis (see Section 3.4), revenue plan (see Section 3.7) and values submitted in the Application Form *(N.J.A.C. 14:8-6.5(a)(11)(ii))*	No	
	Direct, indirect and induced effects of the economic development plan described in Section 3.8 *(N.J.A.C. 14:8-6.5(a)(11)(ix))*	No	
	Environmental net benefits, quantified and monetized as described in Section 3.9, with explicit listing of foundations, assumptions and conditions *(N.J.A.C. 14:8-6.5(a)(11)(iii))*	No	
	Provide 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	
	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	
	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	

Section	Requirement	Complete?	Reference
17 - Application Form	Enter Project names below *(Note: number of entries will appear based on number of Projects in Cell C11)*		
		No	
		No	
		No	
		No	
		No	

Attachment 3
Applicant Commitment Form

New Jersey Board of Public Utilities
Offshore Wind Solicitation #2
Solicitation Guidance Document Attachment 3

Applicant Commitment Form

The Applicant makes the following commitments for the duration of the Project, should they agree to become a Qualified Offshore Wind Project:

The Applicant will notify the Board, within 30 days, of the departure of any key employee; submit the expertise and qualifications for any new key employee for approval by the Board; seek Board 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.

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.

The Applicant shall notify the Board, in writing, of any changes to the equity or other ownership interests in the Project within 30 days, and such changes will be subject to Board approval.

The Applicant will file audited financial statements with the Board on a quarterly and annual basis.

In the event that changes in the Project reduce or eliminate tax benefits, or tax benefits do not materialize for any reason including changes in tax laws, the cost difference will not be made up by ratepayers, suppliers, or providers.

The Applicant will pass along tax credits or other governmental benefits to ratepayers that are greater than projected.

Any decommissioning costs in excess of the anticipated costs stated in the Application shall not be made up by ratepayers, suppliers, or providers.

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.

The Applicant shall supply the Board with filings made to any other regulatory, governmental administrative agency, including but not limited to, any compliance filings or any inquiries by these agencies.

If the Applicant cannot make any of the above certifications, an explanation must be attached to this Form.

Applicant _____

Signature _____

Print Name and Title _____

Date _____

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

§ 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.

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

§ 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).

N.J.A.C. 14:8-6.3

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

§ 14:8-6.3 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).

N.J.A.C. 14:8-6.4

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

§ 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,".

N.J.A.C. 14:8-6.5

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

§ 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 sitting 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 windproject. 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).

N.J.A.C. 14:8-6.6

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§ 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)".

N.J.A.C. 14:8-6.7

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

§ 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).

Attachment 6
Executive Order No. 8

EXECUTIVE ORDER NO. 8

WHEREAS, New Jersey enjoys an abundance of invaluable natural resources, including a magnificent coastline and some of the best offshore wind resources in the world; and

WHEREAS, in order to combat the threat of global climate change and mitigate the accompanying risks to New Jersey and its residents, New Jersey must be a leader in the development of sustainable, renewable energy sources; and

WHEREAS, because of our location and resources, New Jersey is uniquely well-suited for the development of renewable offshore wind energy; and

WHEREAS, in the early 2000s, New Jersey emerged as a leader in developing offshore wind and attracting associated assembly and manufacturing facilities, but since that time has seen stagnant growth in the offshore wind sector; and

WHEREAS, despite the enactment in 2010 of the Offshore Wind Economic Development Act (“OWEDA”), little progress has been made towards OWEDA’s goals or towards offshore wind development generally; and

WHEREAS, offshore wind is an abundant, renewable and sustainable form of energy that will allow New Jersey to shift away from outdated energy sources, which have polluted our natural environment for decades; and

WHEREAS, offshore wind generation also will provide reliability and relief for the regional electric grid, which is the largest, most congested and most costly in the nation; and

WHEREAS, by setting an aggressive offshore wind energy production goal, New Jersey has the potential to power over 1.5 million homes with clean, renewable offshore wind energy; and

WHEREAS, an aggressive offshore wind energy production goal will also result in the various portions of the offshore wind development supply chain being located in New Jersey, including manufacturing,

assembly and construction of the component parts of offshore wind turbines, which will contribute to a stronger New Jersey economy;

NOW, THEREFORE, I PHILIP D. MURPHY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and the Statutes of this State, do hereby ORDER and DIRECT:

1. The Board of Public Utilities ("BPU"), the Department of Environmental Protection ("DEP"), and any other New Jersey state agencies with responsibilities arising under OWEDA shall take all necessary actions to implement OWEDA in order to promote and realize the development of wind energy off the coast of New Jersey to meet a goal of 3,500 megawatts of offshore wind energy generation by the year 2030.

2. In order to achieve this goal, the President of the BPU shall, with the assistance of the Commissioner of the DEP, develop an Offshore Wind Strategic Plan. In creating the Offshore Wind Strategic Plan, the President and the Commissioner shall engage key stakeholders and solicit input from the public. The Offshore Wind Strategic Plan shall focus on critical components of offshore wind development, including achieving scale to reduce costs, job growth, supply-chain businesses, workforce development, data collection, and appropriate siting of facilities, and shall ensure that natural resources are protected throughout the development and operational stages of offshore wind energy production.

3. The BPU shall implement OWEDA's Offshore Renewable Energy Certificate ("OREC") program through the approval of OREC Pricing Plans as outlined in OWEDA.

4. The Department of the Treasury shall work with the BPU and the DEP to ensure that necessary resources and expertise, including an offshore wind economic consultant, are available to advise and assist in the implementation of OWEDA and this Order.

5. Following the establishment of an OREC Pricing Plan application process consistent with this Order, the BPU shall issue a solicitation calling for proposed offshore wind projects for the generation of 1,100 megawatts of electric power, the nation's largest such solicitation to date.

6. Within sixty (60) days of the date of this Order, BPU shall initiate the administrative rulemaking process to establish the OREC Funding Mechanism, through which rules and regulations shall describe the flow of payments for ORECs from suppliers to offshore wind developers. The OREC Funding Mechanism regulations shall also define the administrative steps to ensure, verify and account for OREC payments to offshore wind developers.

7. The President of the BPU shall initiate discussions with sister states in the Northeast and Mid-Atlantic region to explore the potential benefits of a regional collaboration on offshore wind and other opportunities to combat climate change.

8. Should any part of this Order be declared to be invalid or unenforceable, or should the enforcement of or compliance with any part of this Order be suspended, restrained or barred by the final judgment of a court of competent jurisdiction, the remainder of this Order shall remain in full force and effect.

9. This Order shall take effect immediately.

GIVEN, under my hand and seal this 31th day of January, Two Thousand and Eighteen, and of the Independence of the United States, the Two Hundred and Forty-Second.

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor

Attachment 7
Executive Order No. 92

EXECUTIVE ORDER NO. 92

WHEREAS, New Jersey is and must continue to be a national leader in the production of renewable energy sources; and

WHEREAS, my Administration entered office with a commitment to jumpstart the offshore wind industry in New Jersey given our State's ideal geographic location; and

WHEREAS, Executive Order No. 8 (2018) called upon the Board of Public Utilities ("BPU"), the Department of Environmental Protection ("DEP"), and any other state agencies with responsibilities arising under the Offshore Wind Economic Development Act ("OWEDA") to take all necessary actions to implement OWEDA and meet the goal I established of 3,500 megawatts of offshore wind energy generation by the year 2030, which would be sufficient to power 1.5 million homes; and

WHEREAS, in February 2018, my Administration established the New Jersey Offshore Wind Interagency Taskforce, comprised of BPU, DEP, the Economic Development Authority ("EDA"), the Department of the Treasury, and the Department of Labor and Workforce Development, to work collaboratively to support my offshore wind agenda and establish a vibrant offshore wind market in our State and the Mid-Atlantic region; and

WHEREAS, in September 2018, the BPU issued a solicitation for 1,100 megawatts of offshore wind energy generation, which was awarded earlier this year; and

WHEREAS, in September 2018, I called on the BPU to consider two future solicitations for 1,200 megawatts of offshore wind generation to take place in 2020 and 2022 providing visibility for offshore wind developers, suppliers, and stakeholders; and

WHEREAS, in September 2018, the EDA issued a Request for Ideas to encourage industry investment by seeking information from qualified entities regarding the development of offshore wind port infrastructure; and

WHEREAS, in January 2019, the BPU adopted the Offshore Wind Energy Certificate funding rule, which establishes the process by which an offshore wind program is funded and how revenues earned from each project flow back to ratepayers; and

WHEREAS, in January 2019, the EDA opened applications for its Offshore Wind Tax Credit Program intended to attract investment into New Jersey's offshore wind industry; and

WHEREAS, in April 2019, my Administration announced the creation of a New Jersey Offshore Wind Supply Chain Registry that will enable investors exploring offshore wind-related projects in our State to find New Jersey-based companies to partner with or purchase from; and

WHEREAS, three months ago, I signed Executive Order No. 79 (2019) and established a Council for the Wind Innovation and New Development Institute, which will develop a plan for the creation of a hub for the burgeoning offshore wind industry in the Northeast region and our State; and

WHEREAS, the EDA recently launched its proposal for an Offshore Wind Technical Assistance Program to support local companies to develop the skills and competencies needed to participate in the offshore wind industry; and

WHEREAS, my Administration continues to engaged in outreach with New Jersey's fishing industry and conservation community to facilitate responsible offshore wind development that considers the needs of New Jersey's commercial and recreational fishing industries and ensures that natural resources are protected

throughout all stages of offshore wind energy development and generation; and

WHEREAS, because of these efforts, 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; and

WHEREAS, offshore wind has the potential to deliver the scale of clean, renewable energy generation needed to 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; and

WHEREAS, expanding the State's offshore wind energy generation goals will ensure we achieve these clean energy goals and further strengthen New Jersey's economy;

NOW, THEREFORE, I, PHILIP D. MURPHY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. Paragraph 1 of Executive Order No. 8 (2018), which established a goal of 3,500 megawatts of offshore wind energy generation by the year 2030, is hereby rescinded.

2. The BPU, the DEP, and all other New Jersey state agencies with responsibilities arising under OWEDA shall take all necessary actions to implement OWEDA in order to promote and realize the development of wind energy off the coast of New Jersey to meet a goal of 7,500 megawatts of offshore wind energy generation by the year 2035.

3. All other provisions of Executive Order No. 8 (2018) shall remain in full force and effect.

4. This Order shall take effect immediately.

GIVEN, under my hand and seal this 19th day of November, Two Thousand and Nineteen, and of the Independence of the United States, the Two Hundred and Forty-Fourth.

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor