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IMMEDIATE RELEASE

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Contact:

Peter Peretzman
(609) 984-9707

New Jersey Board of Public Utilities Proposes Rule Establishing an Offshore Wind Energy Certificate Funding Mechanism

Rule would establish a method and process by which offshore wind projects are funded and that determines how revenues earned from the projects should be delivered to customers.

TRENTON — The New Jersey Board of Public Utilities (NJBPU) today proposed a rule that would establish an offshore wind funding mechanism known as an Offshore Wind Energy Certificate (OREC). The OREC program will help the state reach its immediate goal of 1,100 megawatts of offshore wind capacity and will pave the way to meeting Governor Murphy’s ultimate goal of 3,500 megawatts.

“Today, the Board has taken this critical step toward setting up a funding mechanism so that the state can fully tap into an increasingly important form of clean and renewable energy,” said NJBPU President Joseph L. Fiordaliso

President Fiordaliso added that accelerated movement on offshore wind is a result of the Murphy administration’s clean energy priorities.

In recent months, Governor Murphy and President Fiordaliso have placed a heavy emphasis on offshore wind and clean energy as vital tools in the fight on climate change. These measures, Governor Murphy said, are essential when it comes to building New Jersey’s environmental and economic future.

“There has been more activity in the first six months of this administration when it comes to achieving our offshore wind goals than there was in the eight years since the signing of the Offshore Wind Economic Development Act,” Governor Murphy said. “We know we must act swiftly to achieve our goals and build a strong offshore wind industry here in New Jersey. This action by the Board today shows we are truly all-in on offshore wind.”

The OREC rule would establish the processes by which an offshore wind project receives funds and how revenues earned from the project flow back to ratepayers.

Additionally, the rule describes the roles and responsibilities of each of the parties in the offshore wind development process. These include the state's electric companies, qualified offshore wind developers, suppliers, and the OREC administrator.

The OREC funding mechanism requires the electric companies to designate funds based on the Board approved number of megawatt hours and the OREC price. Companies would then make a monthly payment to OREC developers based upon the number of megawatts generated by the project. After the developers receive payment, they would transfer ORECs to suppliers and then the developers would refund all revenues to ratepayers through the electric companies. Additionally, all suppliers would be required to retire a sufficient number of ORECs each year to meet the offshore wind renewable portfolio standard set by the Board.

The proposed rule will be published in the New Jersey Register and public comment will be accepted. The NJBPU will then consider any potential changes before the rule is considered for adoption.

About the New Jersey Board of Public Utilities (NJBPU)

The NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight and responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at www.nj.gov/bpu.

About the New Jersey Clean Energy Program (NJCEP)

NJCEP, established on January 22, 2003, in accordance with the Electric Discount and Energy Competition Act (EDECA), provides financial and other incentives to the State's residential customers, businesses and schools that install high-efficiency or renewable energy technologies, thereby reducing energy usage, lowering customers' energy bills and reducing environmental impacts. The program is authorized and overseen by the New Jersey Board of Public Utilities (NJBPU), and its website is www.NJCleanEnergy.com.