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NOTICE¹

New Jersey Offshore Wind Transmission Stakeholder Meeting on November 12, 2019

Pursuant to the “Open Public Meetings Act”, N.J.S.A. 10:4-6 to -21, the New Jersey Board of Public Utilities (“BPU” or “Board”) hereby gives notice of a Public Meeting to discuss how New Jersey should plan its transmission system to accommodate the scenario where offshore wind plays a major role in New Jersey’s energy future. The Stakeholder Meeting will take place on November 12, 2019, at the Trenton War Memorial, Delaware River Room, (1 Memorial Drive, Trenton, NJ 08608). The meeting will start at 10:00 am and last until approximately 4:00 pm.

The Clean Energy Act of 2018 (“Act”), L. 2018, c. 17, Offshore Wind Economic Development Act (“OWEDA”), N.J.S.A. 48:3-87(d)(4) and N.J.S.A. 48:3-87.1 to -87.2, and Executive Orders 8 and 26 require the BPU to implement certain green energy initiatives to achieve 100% clean energy by 2050. To achieve these goals, the BPU has established an Offshore Wind Renewable Energy Certificate (“OREC”) to incent the creation of new offshore wind facilities. In June of 2019, the Board approved an 1,100 megawatt (“MW”) offshore wind generation project, the first of several expected qualified offshore wind projects eligible to receive ORECs.

In preparation for future solicitations, BPU Staff is establishing the first of possibly a series of technical conference-format meetings where interested stakeholders can provide comment on one or more offshore wind transmission solutions that may further the State’s offshore wind ambitions in a cost-effective manner for New Jersey ratepayers.

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The technical conference format will have a series of panels on specific topics. Interested parties on a particular topic are requested to self-nominate for a particular panel. To self-nominate, please provide the following information to Charles Gurkas at Charles.Gurkas@bpu.nj.gov by **October 31, 2019**:

1. Name, title and affiliation;
2. Desired panel (please also provide a secondary panel selection); and
3. Short description (no more than a page) explaining why you should be selected for the panel.

Selected panelists will be notified on approximately November 4, 2019, that they have been selected for a particular panel. Staff will endeavor to ensure that various interests and a diversity of opinions, constituencies, and business models are represented. An agenda and list of panelists will be published in advance of the technical conference. Each panelist will be afforded the opportunity to make a short presentation, followed by a discussion between the panelists and staff, as well as questions from the audience. Parties not selected as panelists will still have the opportunity to ask questions and make public statements, time permitting.

Stakeholders are directed to the New Jersey Clean Energy Program website for background materials, including Board Orders and rules, on the Offshore Wind programs at: <http://njcleanenergy.com/nj-offshore-wind>

The topics to be addressed are as follows:

1. Other Jurisdictions' Efforts to Connect Geographically Remote Generation through Shared Transmission Facilities:

This panel is designed to look at how other jurisdictions have addressed the situation where generation resources are directed, by economics or public policy, towards a geographic area that is either unserved or underserved by the existing transmission system.

Specific topics of discussion that Staff is interested in receiving comment on include:

- a. European efforts to construct shared transmission facilities to bring offshore wind power ashore in a cost-effective manner;
- b. California's transmission build-out in the Tehachapi region of California;
- c. Texas' Competitive Renewable Energy Zone and whether a similar model would be suitable for offshore wind in New Jersey;
- d. Experience with merchant or competitive transmission models to access geographically limited renewables; and
- e. Other models that New Jersey should consider for facilitating offshore wind power.

For each of these various models, Staff requests that the discussion include comments on the costs and benefits of these various programs, whether they worked or not, financing considerations, and the potential risks to ratepayers.

2. Offshore Wind Transmission Framework:

This panel is designed to hear from interested stakeholders about the optimal development framework for transmission infrastructure to meet New Jersey's Offshore Wind goals. The panelists should apply the experience from Panel 1, or newly-developed ideas, to the specific legal and regulatory framework of New Jersey.

Specific topics of discussion that Staff is interested in receiving comment on include:

- a. Discuss the pros and cons of using networked or radial offshore transmission solutions and which might best promote the growth of New Jersey's offshore wind industry;
- b. Describe the pros and cons of selecting between in-state, regional, or inter-regional shared transmission facilities;
- c. Describe optimal location, or the further analysis necessary to determine optimal location, of recommended transmission solutions;
- d. How do different transmission development framework ensure competition; i.e. not provide advantage or disadvantage to any particular offshore wind developer or region of the ocean;
- e. Describe how different transmission development frameworks could be pursued within the existing state, regional, or interregional regulatory structures. Are new regulatory processes necessary?; and
- f. What concrete next steps BPU could pursue to achieve the recommended framework.

For each of these topics, Staff requests that stakeholders' discussion include a focus on the relative benefits to deployment schedule and cost, as well as how the recommended transmission development framework would be incorporated into future solicitations, given all inherent uncertainties.

3. Technical Considerations for Offshore Transmission Facilities:

This panel is designed for stakeholders to present technical recommendations related to the proffered recommendations. Participants should focus on ensuring efficient growth towards New Jersey's Offshore Wind goals.

Specific topics of discussion that Staff is interested in receiving comment on include:

- a. Describe technical considerations that could lead to efficient build-out of transmission to facilitate the mandated solicitations;
- b. Describe technical (PJM Tariff, FERC Orders, or engineering) considerations that would allow for eventual shared use of interconnection facilities initially meant for radial use. Assess efficiency of this option relative to a planned shared transmission grid;
- c. Should state or regional standards be set to encourage efficient growth?;
- d. Should any shared offshore transmission facilities operate as a Direct Current or Alternating Current facilities?; and
- e. Describe any additional challenges (for ratepayers or industry) for developing inter-regional shared transmission.

For each of these questions, Staff requests that stakeholders' discussion include plans or proposals that the Board could consider, with special emphasis on timing, feasibility, and financial risk to ratepayers. Discussion should include the use of radial lines, the use of collector platforms, the use of networked facilities, backbone transmission lines, or other innovative technologies.

4. Cost Responsibility and Business Model Considerations:

Cost and business model are important considerations for successful construction of Offshore Wind Transmission. Participants should provide recommendations addressing issues associated with cost responsibility assignments. Discussion should consider potential for stranded cost recovery and risk to ratepayers.

Specific topics of discussion that Staff is interested in receiving comment on include:

- a. How would costs and benefits of any shared offshore transmission facilities be allocated and assigned?
- b. How should costs be assigned to parties interconnecting to the offshore wind facility, including requests by projects under contract to other states or regional grids?
- c. Should a new planning authority be developed to design engineering and cost allocation standards specifically for Offshore Wind transmission?
- d. Describe existing regulations related to costs assigned for shared use of attachment facilities initially meant for radial use. Would additional BPU guidance be appropriate?
- e. How should BPU evaluate 1) utility (rate-base), 2) non-utility (merchant), and 3) bundled (OREC) proposals in terms of feasibility and risk to captive New Jersey customers? Should BPU issue further guidance on ownership structure?
- f. How could the BPU solicitation process be altered to accommodate the transmission frameworks recommended? Is existing legislative authority sufficient to accommodate the recommendations?

For each of these topics, Staff requests that stakeholders' discussion focus on recommendations that could inform the Board as it pursues future solicitations.

Stakeholder Meeting will be held:

Date: Tuesday, November 12, 2019

Location: Trenton War Memorial, Delaware River Room
1 Memorial Drive, Trenton, NJ 08608

Time: 10:00 a.m. – 4:00 p.m.

Note: this stakeholder meeting will include a panel discussion comprised of representative stakeholders, moderated by BPU Staff. Stakeholders will have the opportunity to ask questions to the panel, as well as to provide formal oral comments. This meeting will be recorded by a court reporter. Stakeholders interested in attending may register no later than noon on Thursday, November 7, 2019 via an email to OSW.Stakeholder@bpu.nj.gov.

Written comments are also encouraged and should address the questions posed by Staff and reference the associated question by number. Written comments must be submitted to Aida Camacho-Welch, Secretary, New Jersey Board of Public Utilities, 44 South Clinton Avenue, 9th Floor, Post Office Box 350, Trenton, New Jersey, 08625. Written comments may also be submitted electronically to OSW.Stakeholder@bpu.nj.gov in PDF or Microsoft Word format.

Written comments should be submitted by November 28, 2019. Please note that these comments may be considered “public documents” for purposes of the Open Public Records Act, N.J.S.A. 47:1A-1 to -13. Stakeholders may identify information that they wish to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.



Aida Camacho-Welch
Secretary of the Board

Dated: October 28, 2019