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VIA ELECTRONIC MAIL

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
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**Re: New Jersey Offshore Wind Transmission Stakeholder Meeting On
November 12, 2019;
Comments of Jersey Central Power & Light Company**

Dear Secretary Camacho-Welch:

Jersey Central Power & Light Company (“JCP&L” or the “Company”),¹ appreciates the opportunity to submit comments in reference to the New Jersey Board of Public Utilities’ (“BPU” or “Board”) Stakeholder Meeting held on November 12, 2019 (“Nov. 12 Stakeholder Meeting”) to discuss potential offshore wind transmission solutions to meet the State’s offshore wind goals in a cost-effective manner.

As the Board moves towards achieving the Governor’s target of 7,500 MW² of offshore wind by 2035, JCP&L believes that a coordinated and collaborative transmission planning process driven by the Board, and involving all stakeholders, will be vital to the efficient integration of offshore wind. As several presenters at the Nov. 12 Stakeholder Meeting articulated, projects with the greatest level of success, both in the United States and Europe, used a well-planned, open

¹ JCP&L is a New Jersey electric public utility primarily engaged in the purchase, transmission, distribution, and sale of electric energy and related utility services to more than 1,000,000 residential, commercial, and industrial customers located within 13 counties and 236 municipalities of the State of New Jersey.

² The Offshore Wind Economic and Development Act (“OWEDA,” codified, in relevant part, as N.J.S.A. 48:3-87(d)(4)) requires that the Board “establish an offshore wind renewable energy certificate program . . . to support at least 3,500 megawatts of generation from qualified offshore wind projects.” On November 19, 2019, Governor Murphy signed Executive Order 92, which directs 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 to 7,500 megawatts of offshore wind energy generation by the year 2035.”

access, approach. An uncoordinated approach where transmission is bundled with individual project submissions can result in reliability issues, as well as increased environmental and local community impacts. Such an approach also may not provide a level playing field for all wind developers.

Clearly the transmission buildout necessary to facilitate the development of 7,500MW of offshore wind will be a significant undertaking, one that likely cannot be accomplished by repeatedly running individual radial lines to limited interconnection points. Rather, this effort will require careful planning as well as critical, innovative thinking to efficiently and economically support the State's long-term goals. To that end, electric utilities should have a significant role in the design and build-out of the transmission infrastructure needed to achieve New Jersey's offshore wind objectives.

The New Jersey electric distribution companies ("EDCs") own significant onshore transmission facilities adjacent to the Atlantic Ocean and have extensive experience in planning, designing, and building transmission infrastructure. Therefore, the EDCs are thus uniquely qualified to perform the necessary analysis that can identify optimal interconnection points, currently scheduled transmission projects that can be optimized to facilitate offshore wind, and necessary greenfield projects. Through this process the electric utilities can maximize the use of existing transmission infrastructure and recommend and implement solutions for the offshore grid that will compliment and add flexibility to the onshore grid, allowing maximum utilization of offshore wind resources.

JCP&L believes that PJM's Public Policy process gives the Board the necessary latitude to both identify specific transmission projects to meet its goals and select the entity or entities to build those projects. The fact that PJM has not developed detailed protocols around public policy-driven transmission projects gives the BPU an opportunity to work closely with PJM to establish a process that is flexible enough to address the State's needs from both a project and cost allocation perspective. The PJM Public Policy approach will likely be more efficient than the current PJM queue process, which can be a significant bottleneck for these types of initiatives. Also, the inherent nature of the PJM queue process can carry cost uncertainties deep into a project's life cycle and may not result in the most operationally efficient solution for integration of renewable sources (i.e., wind, solar), thus lowering the value proposition for customers. Electric utilities, which have an extensive knowledge of their respective transmission systems, are best positioned to work with the Board and PJM to tackle facilitation of offshore wind, rather than relying on a less efficient queue process that may not deliver a cost-efficient and scalable solution.

New Jersey electric utilities are best positioned to assist the Board in making offshore wind a success. A utility-facilitated, well-planned and coordinated, open-access transmission system, with input from all stakeholders will give New Jersey the flexibility to deploy offshore wind in the most reliable, timely, efficient, and least cost manner. Key features of this approach include:

- The elimination of uncertainty around transmission costs will provide a level playing field for all developers and encourage more robust competition. This, in turn, should lower OREC prices and impact on ratepayers;
- Electric utilities' transmission investments are recovered over the useful life of the transmission assets, which is considerably longer than the lifecycle of windmills. Thus, electric utility ownership of transmission associated with offshore wind not only lowers initial costs to ratepayers but also spreads the costs to all the beneficiaries over the asset's useful life. This helps to ensure achievement of intergenerational equity;
- Reduces environmental impacts, as fewer rights-of-way ("ROW"), onshore substation expansions, shore crossings, and offshore substations will be necessary;
- If new ROWs are needed electric utilities have the extensive permitting and siting experience necessary to facilitate the construction;
- Reduces the costs of, and disruptions associated with, making incremental onshore transmission upgrades, since utilities are uniquely able to integrate transmission for offshore wind along with other ongoing grid-planning priorities in a safe, reliable and affordable manner;
- Reduces redundancies associated with building separate radial lines for each wind farm;
- Facilitates the optimization of the size and location of offshore substations used to serve multiple wind farms;
- Captures onshore operations and maintenance synergies and allows integration with existing control centers;
- Enables better planning for enhanced system resiliency.
- Allows New Jersey to retain more control over future expansions of the transmission facilities for its offshore wind program

JCP&L looks forward to continuing collaborative discussions with the Board and other stakeholders to develop and implement a holistic plan to achieve the Governor's aggressive goals for offshore wind deployment in New Jersey.

Very truly yours,



Lauren M. Lepkoski

Counsel for Jersey Central Power & Light Company