



May 17, 2018

NJ BPU Commissioner Joseph L. Fiordaliso
New Jersey Board of Public Utilities
44 S. Clinton Avenue
Trenton, NJ 08625

Dear Commissioner Fiordaliso,

We applaud and appreciate the efforts of the New Jersey Board of Public Utilities to progress the offshore wind industry in the State of New Jersey.

The Business Network for Offshore Wind is a nonprofit organization solely focused on the advancement of the U.S. offshore wind industry and development of its supply chain. The Network brings together developers, policymakers, academia, global experts and more than 180 member businesses for critical discussions and unprecedented networking opportunities. We represent the majority of the offshore wind stakeholders including labor unions, small and medium sized businesses including marine contractors, vessel contractors, as well as OEMs, and developers.

The Business Network for Offshore Wind submits the following comments and recommendations regarding the NJ OREC Straw Proposal published by the NJ BPU.

The Network encourages the NJ BPU to announce a solicitation before the end of 2018. It is important to move forward quickly with offshore wind in New Jersey in order to be a first mover in the region. Additionally, the production tax credit for offshore wind energy is expiring in 2019, meaning NJ projects need to begin in 2019 in order for the developers to capture the opportunity from the lower cost of capital and to pass on this competitive advantage to the New Jersey ratepayer.

As a membership-based organization and observer of the market, the Network strongly encourages competition throughout the entire leasing, development, and operations of offshore wind projects. Offshore wind in the United States, including New Jersey, will only progress and thrive in the renewable energy market as a competitive industry.

An important aspect to think about early in the process is the OREC 'invoicing option.' This will ensure that OREC funds pass directly from the buyers (utilities or EDCs) to the sellers (offshore wind developers) through the creation of an OREC administrator hired by the utilities.

Additionally, the Network supports the establishment of an escrow account to be managed by a New Jersey bank selected through an RFP. The Network references the Maryland Offshore Wind Energy Act (MOWEA) legislation and its wording on the establishment of an escrow account under commission supervision to manage the transfer of revenues and ORECs among the parties.



We encourage the BPU to establish a coordinated and sequential OREC financing process for 3500 MWs that addresses supply chain capacity issues and ensures gaps between off-takes do not exist. We also recommend continuing to coordinate within the NE Region (MD, DE, NY, CT, RI and MA) to establish a pipeline of projects and economies of scale including setting a coordinated goal to reach a 'harmonized' U.S. Offshore Wind pipeline growth of 1 GW annually within the next 5 years and 2 GW annually within 15 years, which allows for sustainable industry growth in the state.

The Board should continue to solicit transmission system design proposals from the industry to 1) reduce ratepayer costs; 2) preserve and advance grid reliability; 3) promote efficiency; and 4) minimize curtailment during operations and potential failures. The Board of Public Utilities should review best practices and lessons learned from Europe on transmission system design.. Further analysis can help determine the best approach to meet the State's goal of 3500 MWs.

Thank you for your commitment to developing a U.S. offshore wind energy industry in New Jersey. We look forward to working with you and your team.

Sincerely,

Liz Burdock
Executive Director