

Dear Aida,

The following written comments are submitted in response to the offshore wind solicitation. The comments are formulated by Kyle Kingman, President of Offshore Power, LLC, a NJ-based firm specializing in offshore high voltage power transmission systems. For a brief intro, Offshore Power are currently contracted for the design and construction of the largest submarine power transmission systems in the world. For the past decade, they have been involved in the development of the European Interconnection system including but not limited to the Skagerrak systems, NorNed, NordLink, and NorthSeaLink. The NordLink and NorthSeaLink are the two longest submarine power cable systems in the world currently under construction. These systems have enabled the large-scale emergence, growth, and sustainability of renewable energy markets around northern Europe, Scandinavia, and the UK. Based in New Jersey, Offshore Power is focused on designing and developing a scalable and reliable transmission system to provide the growth and sustainability along the US east coast, namely offshore New Jersey.

Please find the comments below in bold:

1. How should BPU stagger/phase in New Jersey's offshore wind procurements to realize the State's goal of 3,500 megawatts. Should this schedule be announced before any solicitations are released? **COMMENT: The schedule should be announced before any solicitations are released to allow developers and the effected supply chain to provide the most competitive bids attainable. NJ needs a cohesive plan which works together with neighbor states in a cohesive framework. Such a project cannot be done entirely successfully in a vacuum with each state having its own system. Only when we have a technically sound, ecologically and environmentally sensitive, and economically optimized overall strategy that has the long run in mind should the solicitations be released. It is understandable that each state has their own constituents to worry about. Regardless, the overall framework must be considered at a national level. These solicitations must fit within that framework. This will promote healthy competition and ensure a lowest cost point because multiple developers are working within the same framework. This also greatly increases asset utilization percentage and reduces cost. The state can then formulate a detailed comparison when reviewing the projects proposals. Wind development offshore can only commence once the supportive transmission infrastructure is well designed and under way and on a path towards completion. That must be completed and tested prior to the completion of wind turbine generator (WTG) installation. Otherwise, the developers risk schedule delays and cost overruns. This includes but is not limited to backbone transmission systems, maintenance and storage facilities, centers for domestic production (rather than relying on imports), and more. If solicitations trickle out in small increments, the supply chain industries will not mature leading to high import demand and overall higher costs. Conversely, if there is sufficient work to make investing in east coast production, then companies can and will move to where the work is and we all benefit by the growth, increase in local supply, and lower prices with less risk of delays.**
2. How should the BPU structure the initial solicitation for 1,100 megawatts of offshore wind capacity as called for under EO8? **COMMENT: We understand this question is similar to the following question #3. We recommend two phases of solicitation. Phase 1: Solicitation of the**

submarine transmission system. Phase 2: Solicitation of 1,100 MW of OSW inclusive of interarray cables and export cables to the transmission backbone offshore.

3. Should the BPU request proposals scaled at 1,100 megawatts, or should the BPU request proposals in smaller blocks of capacity (i.e. 400 megawatts)? **COMMENT: In similar projects, we have broken the request into lots to divide up the work between qualified suppliers. In this case, we recommend the proposal be split into two 550 MW lots. A Company may then bid on one or both lots. If a Company bids on both lots, these two bids are separate so that the Company may be awarded Lot 1, Lot 2, or both lots. This split helps the project in terms of manufacturing, supply chain, avoiding critical paths, and the interfacing is easily managed between two suppliers. We have experienced that providing Lots promotes a healthy sense of competition between the Lots within the same project and the project schedules may be reduced.**

4. How may a solicitation be structured to ensure strong competition from multiple OSW developers? **COMMENT: As described in comment 3, the solicitation should be structured in two or three Lots, which will ensure competition not only between multiple OSW developers, but also within a single OSW developer within the project between Lots. We recommend a lump sum for cable manufacturing and installation with a provisional sum for cable protection. We also recommend a lump sum for platform and WTG installation. This structure minimizes risks for the Contractor and allows regulators and end Company to know what the project cost will be with some allowances for VOs and options.**

5. What conditions should be included to ensure maximum competition in terms of OREC Price? **COMMENT: The integration to an offshore interconnection system is vital for obtaining maximum competition and a competitive price.**

6. OWEDA requires the OREC Price to be an all-in price that includes the full cost of the construction, operation and decommissioning of the project with all revenues being refunded to ratepayers. What measures can be included in project proposals to optimize all revenues over the life of the project?
COMMENT: The proposal must include provision for integration to an offshore backbone interconnected system. This can provide the opportunity for additional rents to be collected and paid to rate payers as east coast renewable energy grows and interconnects to Offshore NJ. It must also include measures for repair preparedness and spares to optimize transmission availability through the life of the project.

7. OWEDA requires that offshore wind developers demonstrate a net economic benefit for the State. How should the BPU ensure net economic benefits in order to be able to compare applications?

COMMENT: Construction of separate OSW systems each independently connecting to shore simply cannot provide the net economic benefit to the state without an offshore interconnection between onshore markets and OSW sites. Developers should model in the economics of and offshore inter and intra-state HVDC Interconnection. This greatly improves the economics with or without OSW sites online. The increase in asset utilization improves the cost allocation for developers greatly and this should be well represented in their application. We would also add that development goes beyond economics. There are also societal benefits from security of supply, transmission capacity, increased % of renewables, environmental benefits, employment benefits, and more which should be represented in the applications.

8. What other elements should BPU consider including in the 1,100 megawatt offshore wind solicitation called for under EO8 (e.g. storage, other adjunct technologies)?

COMMENT: Solicitation should also include: Integration to offshore Interconnection system, cable and asset storage and maintenance facilities, repair preparedness plan, protection plan, viewshed (we believe it is unlikely for OSW projects to gain widespread public approval if they are at all visible from shore). Solicitation should include options such as for hybrid multi-use platforms (for example desalinization, metrology, communications, and other usages at the discretion of the developer. Such options should clearly document the net benefits of the proposed option. Success of the tender and bid should not at all be contingent upon acceptance of such options).

9. Should the BPU request bids for expandable, nondiscriminatory, open-access offshore transmission facilities for the efficient delivery of power to the onshore transmission system?

COMMENT: Without a doubt, yes. As discussed above in Q2, this should be handled as a separate bid and may be broken into several lots. This is vital for the emergence, growth, sustainability, and ultimate success of the renewable energy plan for the state and beyond. To reach optimum success, this must be a collaborative approach with neighbor states in a common framework. It is better to have transmission handled separately from OSW developers due to expertise, reliability benefits, cost containment, supply chain relationships, future revenue opportunities, growth potential, regulatory benefits and more.

Kindest Regards,

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