Update: New Jersey Offshore Wind

BOEM New Jersey/New York Bight Taskforce Meeting
May 9, 2018
Newark, New Jersey

Executive Order No. 8

1. 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 of 3,500 megawatts of offshore wind energy generation by 2030.**
2. Develop an **Offshore Wind Strategic Plan**
3. Implement OWEDA's **Offshore Renewable Energy Certificate ("OREC") program**.
4. Procure the necessary **resources and expertise**, including an offshore wind economic consultant.
5. Solicitation of offshore wind projects for the **generation of 1,100 megawatts**
6. Initiate a rulemaking process to establish the **OREC Funding Mechanism**
7. Initiate discussions with sister states in the Northeast and Mid-Atlantic region to explore the potential benefits of a **regional collaboration on offshore wind** and **other opportunities to combat climate change**.

Offshore Wind Strategic Plan:

The Offshore Wind Strategic Plan shall focus on

critical components of offshore wind development,

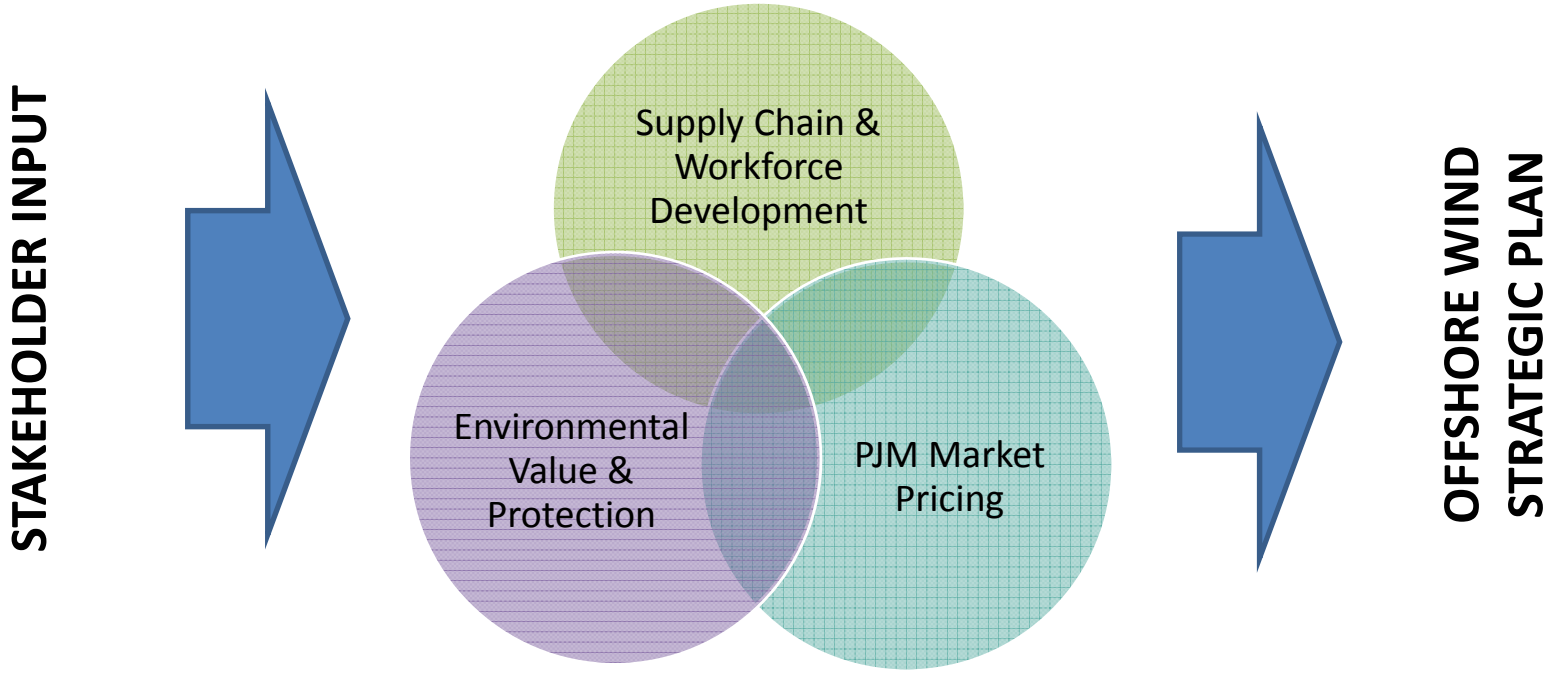
including achieving scale to reduce costs, **job growth, supply-chain businesses, workforce development,** data collection, and appropriate siting of facilities,

and shall ensure that natural resources are protected throughout the development and operational stages of offshore wind energy production.

(Executive Order No. 8)

Released RFQ on April 30, 2018
Responses due May 23, 2018
Next Step: Evaluate Bids Upon Receipt and Contract Selected Firm

NJ Offshore Wind Strategic Plan



Roadmap for achieving 3,500 MWs by 2030 and an Initial Solicitation of 1,100 MWs of Offshore Wind Capacity

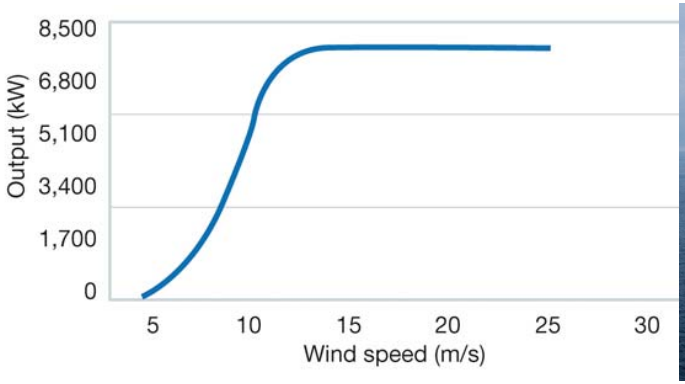
OREC Funding Mechanism Rule Proposal:

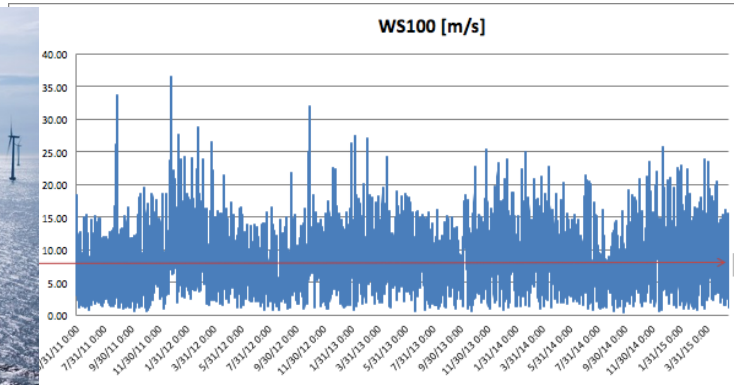
"Initiate the administrative rulemaking process to establish the OREC Funding Mechanism, through which rules and regulations shall describe the flow of payments for ORECs from suppliers to offshore wind developers. The OREC Funding Mechanism regulations shall also define the administrative steps to ensure, verify and account for OREC payments to offshore wind developers."

(Executive Order No. 8)

BPU Released Straw Proposal on April 27, 2018
Conducted Public Hearing May 8, 2018
Comments due by May 18, 2018
Next Step: DRAFT Rule Proposal for Board Consideration

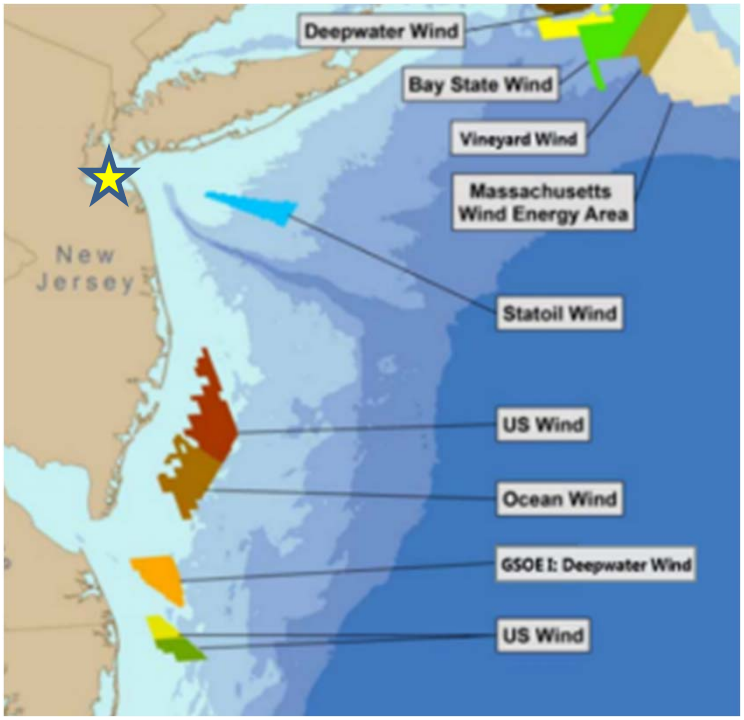
New Jersey Offshore Wind Lease Areas

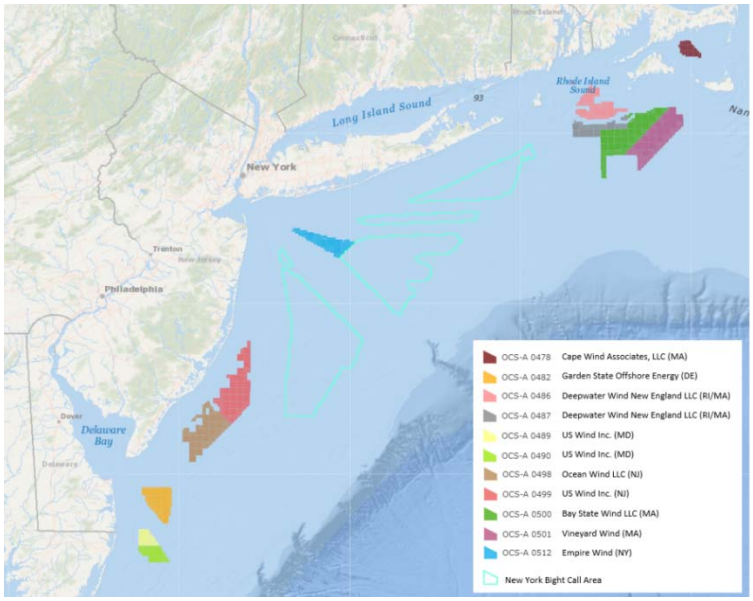




Overview of NJ Offshore Wind Lease Areas..

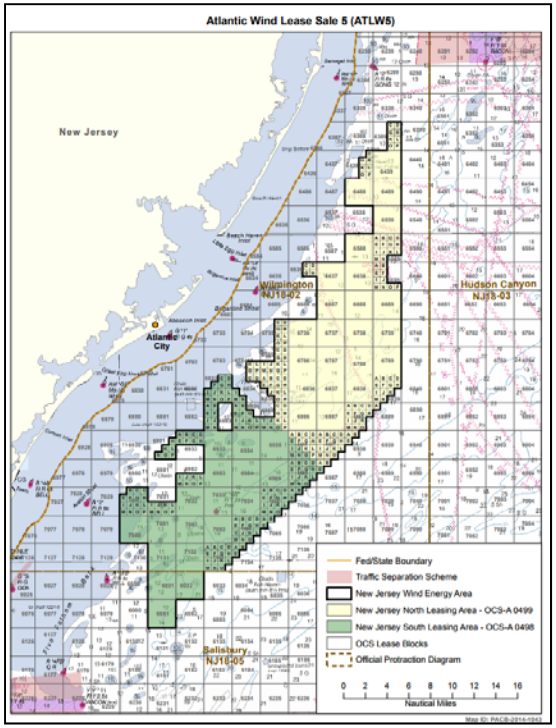
New Jersey is well positioned to support the 3,500 MW target and serve as a hub for regional development in partnership with other States.





Next Step: Solicitation of 1,100 MWs to be scheduled

Overview of NJ Offshore Wind Lease Areas

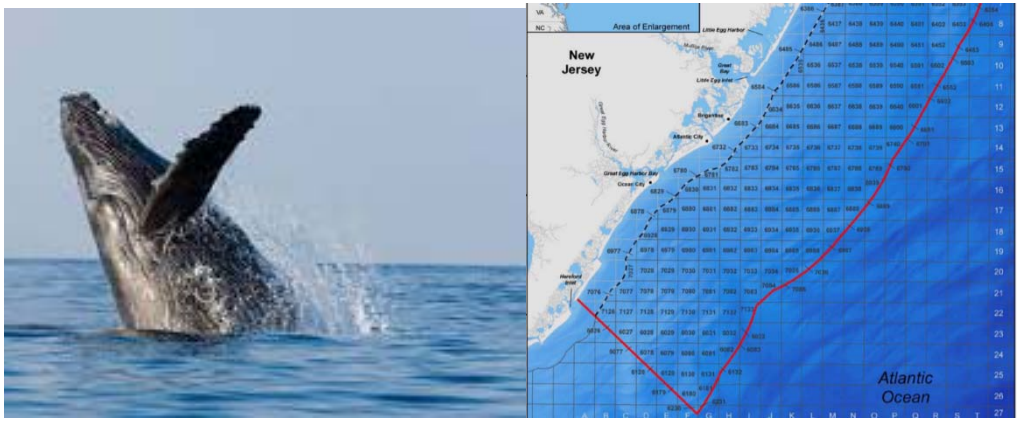


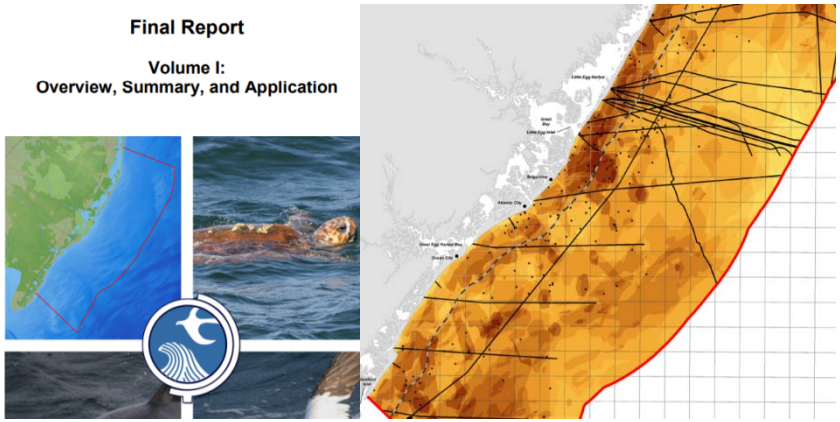
New Jersey lease areas present some of the most favorable conditions for offshore wind development which will help lower costs.

- Relatively close to shore (10 nm out to 21nm);
- Water depths throughout the lease area are generally shallow (under 30m);
- Wind speeds are fairly strong (Avg. Annual Wind Speed 8.5 m/s but significantly higher during peak hours);
- 344,000 acres directly offshore of New Jersey. Each Lease supports at least 1,100 MWs
- Designed for Utility Scale Development
- ORSTED (Ocean Wind) and US Wind
- Deepwater Wind (DE) and Statoil Lease (NY)

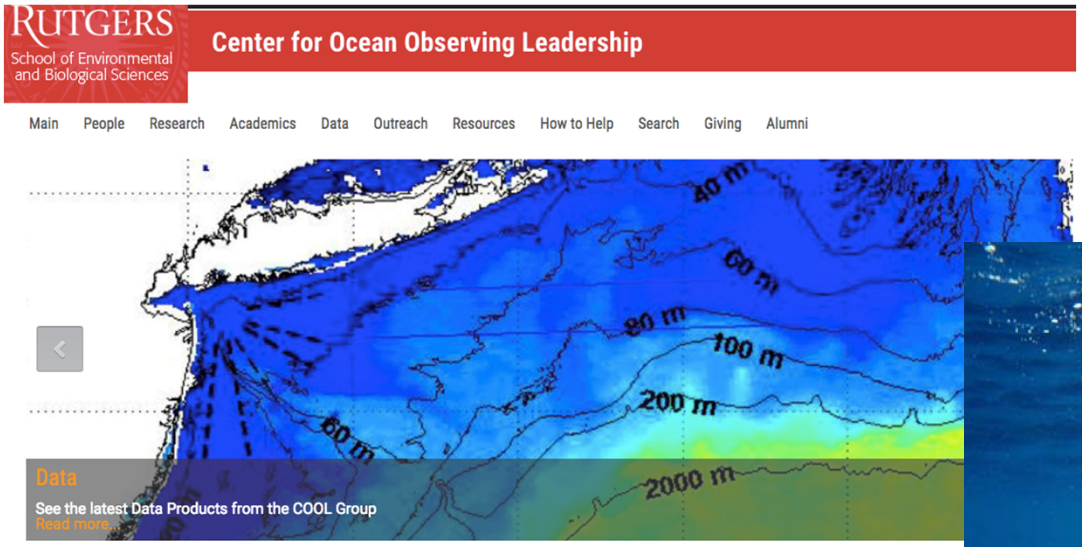
Next Step: Consider Additional Lease Areas to Support 3,500 MW Goal

Scientific Research & Monitoring Activities





NJ Scientific Research Labs & Studies



- Rutgers Center for Ocean Observing Leadership
- **MARACOOS is the Mid-Atlantic Regional Association Coastal Ocean Observing System, covering the region from Cape Cod, MA to Cape Hatteras, NC for U.S. IOOS**
- RU-COOL Advanced Offshore Wind Modeling (2010 – Present)
- NREL Validations Study of Offshore Wind Modeling (2018)
- NJDEP Ecological Baseline Assessment (2010)

Next Step: Expand Regional Cooperation to Ensure Ecosystem Approach

NJ is seeking the lowest cost
and the <u>best value</u> for New Jersey ….

"Best Value" under OWEDA

To receive state support in the form of ORECs, applicants must provide a cost-benefit analysis and demonstrate "positive Net-Economic and Environmental Benefits for the State"
BPU regulations (N.J.A.C. 14:8-6.5)**:**

- **Environmental benefits**;
- **Greenhouse gas reductions** and other reduced emissions;
- **In-State activity** from construction, operations and maintenance, and equipment purchases;
- **In-State impacts** or benefits from employment, wages, Indirect business taxes, and output,* with a particular emphasis on manufacturing employment.

*__Output__ refers to the sales in sectors or industries that would be supplying the offshore wind project with materials (such as turbines, steel and cement for support structures, wire for transmission cables) and services (such as construction and installation services, as well as engineering, legal, finance, and other professional services). (See: N.J.A.C. 14:8-6.5)