

State of New Jersey Offshore Wind Task Force Presentation April 16, 2021



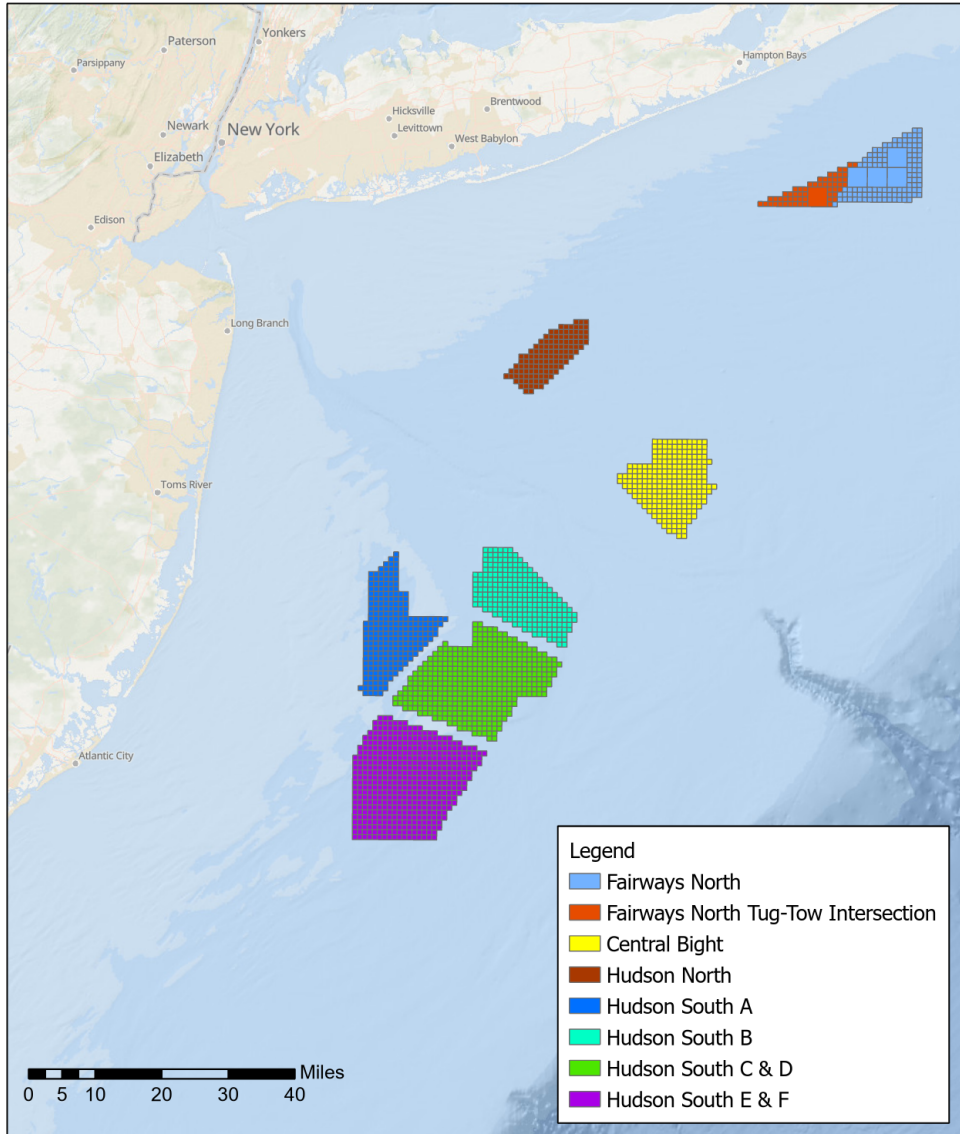
A. Number, size, orientation, and location of the proposed lease areas
Eight lease areas are proposed for consideration at the Task Force meeting. BOEM is seeking feedback on the proposed number, size, orientation, and location and welcomes comments on which lease areas, if any, should be prioritized for inclusion, or exclusion, from this lease sale and/or future lease sales. Alternative subdivisions and the associated reasoning behind them are encouraged.

- The existing lease areas in the NY Bight range from 79,360 acres to 182,720 acres
- The proposed lease areas range from 43,056 acres to 87,890 acres
- New Jersey proposes combining smaller lease areas to allow for flexibility in project design and achieving economies of scale in generation with larger projects





New York - New Jersey Bight Lease Areas



Proposed Lease Areas Descriptive Statistics

Lease Area	Acres	Installation Capacity (MW)	Homes Powered	Power Production (MWh/year)
Fairways North	62,270	753	263,550	2,638,512
Central Bight	84,688	1,028	359,857	3,602,678
Hudson North	43,056	523	182,954	1,831,628
Hudson South A	85,755	1,041	182,954	3,648,088
Hudson South B	84,332	1,024	358,344	3,587,533
Hudson South C + D	156,566	1,901	665,281	6,660,410
Hudson South E + F	172,934	2,099	734,831	7,356,715
<u>Total</u>	646,545	7,846	2,564,817	27,493,936

Megawatts (MW) based upon 3MW/sq km

Homes powered is based upon 350 homes per MW

Megawatt hours per year formula: $MWh/year = Capacity (MW) * 8760 (hrs/year) * 0.4 (capacity\ factor)$

Fairways North values are estimates of geometry outside of the Tug/Tow area

C. Minimum bid

BOEM's recent lease sales offshore Massachusetts and New York demonstrated significantly more demand for leases than prior sales and the associated auctions lasted multiple days. BOEM is proposing to increase the minimum bid from \$2.00 to \$100.00 per acre.

- We are not opposed to raising the minimum bid, but we are concerned that if the minimum bid is increased to \$100/acre, the high cost of leasing will reduce competition and result in ratepayers bearing the burden of the high cost
- We propose that a portion of the lease payments be provided to the states for use in workforce development initiatives in overburdened communities

D. Operations term

In the most recent Massachusetts sale, leases were offered with 33-year operations terms. From your perspective, have there been any substantive changes in that time that would suggest BOEM should consider an alternative operations term?

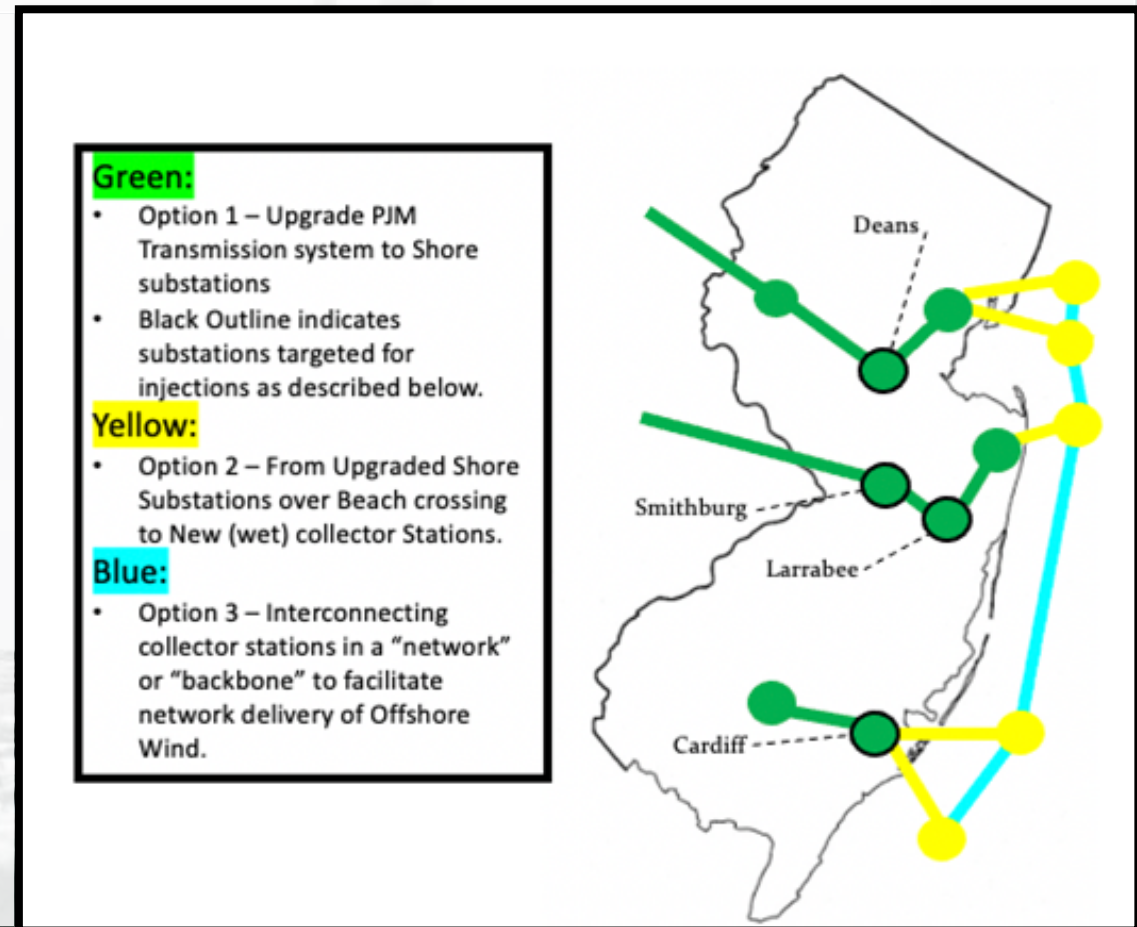
- New Jersey has no comment on the proposed 33-year operations term



E. Transmission

BOEM recognizes that any path to achieving a large-scale introduction of offshore wind energy into the grid will require transmission solutions that go beyond traditional radial connections and significant grid upgrades. We look forward to continued dialog with the Task Force and interested parties as we explore solutions to this challenge.

- New Jersey has taken a first of its kind approach to a coordinated transmission solution by requesting that PJM include New Jersey's OSW goals into its regional Transmission Expansion Plan (RTEP) through the PJM State Agreement Approach (SAA).
- The SAA will explore options for an optimal long-term solution for offshore wind transmission that otherwise may not have been available at this stage of development. Through the solicitation process, NJBPU will examine details on a wide array of ready-to-build transmission options, including key factors such as cost, siting, environmental impacts, and the timeframe for construction.



F. Limits per bidder

BOEM may limit bidders to one or two lease areas depending the number of lease areas offered. If BOEM offers all eight lease areas, bidders may be allowed to win a maximum of two leases. If six areas are offered, BOEM is considering limiting bidders to winning one lease area. BOEM invites comments on possible bidding limitations for offshore wind lease areas.

- New Jersey in is agreement with a 2-area limit if 8 lease areas are offered, and a 1-area limit if less than 8 lease areas are offered



B. Transit corridors

BOEM welcomes comments on whether and where transit corridors may be necessary within the New York Bight WEAs and comments on how and whether these transit corridors should be incorporated into future lease agreements.

- In coordination with the Coast Guard, BOEM should use the recommendations made by stakeholders during transit workshops held in 2019 and 2020.
- Travel from Cape May, Atlantic City, Barnegat Light, and Point Pleasant to fishing grounds beyond Hudson South should be accommodated to the extent possible.
- One or more transit areas in a NE/SW direction may be more effective for mitigating fishing impacts than the NW/SE lanes that are proposed in the PSN Summary.
- Transit lanes should not cross



F. Visual Impacts

BOEM seeks input on what are the most sensitive views from onshore? What Key Observation Points should BOEM use for its visual impact assessment?

- The NJ Historic Preservation Office (NJHPO) recommends that BOEM delineate the area of potential effects (APE) based on GIS and visual simulation tools, in order to identify areas from which the proposed wind farms will be visible.
- The NJHPO's concern will be the visual effects on historic properties on the coastline.
- BOEM should consider using properties previously listed on or determined eligible for the NJ and National Registers of Historic Places as a start to identify key observation points, although those locations alone may not be sufficient, in particular if additional historic properties are identified.
- In general, the approach that has been described to NJHPO staff for current wind farm projects seems appropriate to this undertaking.



G. Landfall locations

BOEM seeks input on what landfall locations for transmission interconnection points should be avoided due to their ecological or culturally sensitive nature?

- The NJDEP encourages the avoidance of environmentally sensitive areas. New Jersey's coastline is a diverse landscape with varied resources and uses. NJDEP will review each proposed cable landfall on a case-specific basis in the context of our regulatory authority; provide guidance on compliance with our rules, and seek an alternatives analysis and/or mitigation where necessary.

