



July 23, 2018

NJ Board of Public Utilities
c/o Ms. Aida Camacho-Welch, Secretary
P.O. Box 350
Trenton, NJ 08625-0350

Via Email: Rule.Comments@bpu.nj.gov

RE: Docket No. QX18040466 – Offshore Wind Solicitation of 1,100 Megawatts

Secretary Camacho-Welch,

On behalf of the Southern New Jersey Development Council (“SNJDC”), we respectfully submit the following comments in response to the Notice published by the Board of Public Utilities (“BPU”) on June 29, 2018 (“Notice”).

As a business economic development organization comprised of over 300 mid to large size businesses in the 8-county southern New Jersey region, the SNJDC and its members recognize the unique opportunity for much needed public and private investment in the burgeoning industry of offshore wind energy along with the need to modernize an aging power grid and diversification of the state’s energy production. We appreciate Governor Murphy’s leadership in establishing the goal of 3,500 megawatts (MW) of offshore wind by 2030 and applaud the pace set by the BPU.

Respectfully we provide response to the questions within the Notice:

- 1. Issue: Structure of the initial solicitation for 1,100 megawatts.** Offshore wind is a nascent industry with both risks and opportunities; South Jersey stands ready to facilitate a net-export industry to service offshore wind development from New York to Maryland. To minimize risk and promote competition, the BPU can best determine the optimal project size with a solicitation for standard sized (with some small amount of flexibility), multiple bids that aggregate up to the full 1,100 MW. Multiple sized bids would foster competition and reveal cost efficiencies providing the BPU the ability to determine the right fit to award different sized projects and developers.
- 2. Issue: Structure and conditions to ensure competition and net economic benefit.** We recommend all applicants demonstrate their ability to incorporate and assist in the creation of a local grown supply chain. SNJDC supports a solicitation structure that clearly defines how evaluators of the applications will weigh a project’s level of local

content. Local content could be defined as any generated opportunities for local participation in the offshore wind project, including, but not limited to, components manufactured or produced in New Jersey; construction/assembly work done in the state; research performed in-state using local contractors, educational institutions; utilizing local training centers, offices, etc.

Application evaluators should have a clear understanding that local content sometimes entails a cost premium, so there can be a tradeoff between minimizing project cost and maximizing the use of local industry and labor. We believe the BPU should clearly outline how they will evaluate these factors so that projects have clarity on how to bid and should consider not only the benefits of each project's construction, but also the potential for each project to spur the creation and long-term stability of a local supply chain.

In addition, the solicitation should contain a mechanism for the BPU to ensure net benefits were delivered. Measurement of jobs created, local suppliers utilized, workforce training hours, etc. along with public disclosure will ensure continued support from the general public.

- 3. Issue: Realizing the State's goal of 3,500 MW.** We believe the BPU solicitation should provide clear and transparent criteria and a required measurement mechanism of net benefits from applicants that is accompanied by clear instruction to applicants as to the weight of importance among criteria, which will result in a successful first round of procurement. Only through first round success can the State create an environment that minimizes risk and maximizes economic benefit. An approach that encourages competition and avoids monopolistic domination can create a new and long-lasting industry that meets the goal of 3,500 MW of clean, renewable energy by 2030 in New Jersey; an industry that meets neighboring states' goals as well.

The SNJDC urges the State to continue to proceed quickly, yet prudently, in seeking applications by the end of 2018 to ensure that developers, and in turn ratepayers, may benefit from the federal tax-investment credit which is set to expire at the end of 2019.

Thank you for the opportunity to submit comments on these matters regarding New Jersey's economy and the production of clean in-state energy. We look forward to working with the BPU and stakeholders going forward.

Sincerely yours,



Marlene Z. Asselta, President

Southern New Jersey Development Council