

May 18, 2018

Aida Camacho, Secretary
44 South Clinton Avenue, 3rd Floor, Suite 314
CN 350
Trenton, NJ 08625

Re: Comments of Siemens Gamesa Renewable Energy on the Straw Proposal for the OREC Funding Mechanism

— Dear Secretary Camacho:

Please accept these comments on behalf of Siemens Gamesa Renewable Energy (SGRE). Siemens Gamesa is the world's largest manufacturer of utility-scale offshore wind turbines. With a total capacity of approximately 11 gigawatts installed offshore and six times that amount of installed onshore capacity, in over 90 countries across 5 continents, SGRE has the longest track record of all wind turbine suppliers in the offshore industry. The United States represents an important market to our future business operations and the State of New Jersey has demonstrated substantial leadership in helping to bring the offshore wind energy industry to American shores.

SGRE is generally supportive of the framework in the Straw Proposal offered by the Board of Public Utilities (BPU), in particular the emphasis on "all in" pricing consideration for the OREC, which recognizes that projects bundled with transmission will have the highest probability of success with the lowest total project cost.

Given SGRE's substantial experience with the development of new offshore wind markets, please consider some suggestions to produce the most successful outcome for the development of a sustainable, long term market opportunity for the State of New Jersey:

- SGRE recommends that the BPU take all necessary steps to issue a solicitation in 2018. The timing of this procurement is critical – cost savings from a Federal Investment Tax Credit (ITC) that is scheduled to phase-out over the next several years will directly benefit New Jersey ratepayers and consumers, and projects must qualify for the ITC by the end of 2019 to capture the credit.
- SGRE recommends that the BPU consider the timing of a project's ability to begin delivering power as part of the OREC procurement process, with a preference being awarded to projects that are able to achieve commercial operation as soon as possible. The buildout of a robust and fully-localized industry in the US will require a steady volume of projects to produce consistent cost reductions similar to what has been seen in Europe.

Offshore wind is poised to become a major economic driver for Eastern US states, thanks in large part to rapidly declining costs, advantageous wind speeds and construction conditions, and significant localized demand for clean electricity.

January 16, 2018
Connecticut Department of Energy and Environmental Protection



Accordingly, we respectfully request that the BPU continue to move expediently to issue the first OREC solicitations

Respectfully submitted,

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