



STATE OF NEW JERSEY
Board of Public Utilities
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www.nj.gov/bpu/

DIVISION OF CLEAN ENERGY

IN THE MATTER OF THE BOARD OF PUBLIC UTILITIES OFFSHORE WIND SOLICITATION FOR 1,100 MW – EVALUATION OF THE OFFSHORE WIND APPLICATIONS; AND)	ORDER APPROVING THE JOINT PETITION
)	DOCKET NO. QO18121289
)	
IN THE MATTER OF PSEG RENEWABLE GENERATION, LLC AND OCEAN WIND, LLC – REQUEST APPROVAL OF EQUITY INTEREST IN THE OCEAN WIND QUALIFIED OFFSHORE WIND PROJECT)	DOCKET NO. QO21030665

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Gregory Eisenstark, Esq., attorney for Ocean Wind LLC
Mathew Weissman, Esq., attorney for PSEG Renewable Generation LLC

BY THE BOARD:

By this Decision and Order, the New Jersey Board of Public Utilities (“Board” or “BPU”) approves the joint petition for approval of PSEG Renewable Generation LLC’s (“PSEG Renewable”) Acquisition of a 25% equity interest in the Ocean Wind LLC (“Ocean Wind”) Qualified Offshore Wind Project (“Petition”).

BACKGROUND

Governor Murphy’s Executive Order No. 8 called upon the Board to fully implement the Offshore Wind Economic Development Act of 2010 (“OWEDA”), N.J.S.A. 48:3-87 et seq., and to proceed with an initial Solicitation (“Solicitation”) of offshore wind capacity as a first step in meeting the State’s goal of 3,500 MW of offshore wind capacity by 2030...” On February 28, 2018, the Board directed Staff to take specific actions to implement EO8, including to prepare for the solicitation of the initial 1,100 MW of offshore wind capacity.¹

¹ In the Matter of the Implementation of Executive Order No. 8 on Offshore Wind and the Initiation of a Rulemaking Proceeding on ORECs. Docket No. QO18020151. February 28, 2018.

The Board opened its first solicitation window from September 20, 2018, to December 28, 2018² and provided applicants a Guidance Document to outline the Board's requirements under the solicitation ("2018 Guidance Document"). Among other things, the 2018 Guidance Document's requirements included reliability of the transmission network, reduced cost and risk to New Jersey customers and likelihood of commercial success. 2018 Guidance Document at 18.

As a result of the solicitation, on June 21, 2019, the Board approved the Ocean Wind 1,100 MW project ("Project") for the State's first Qualified Offshore Wind Project eligible to receive Offshore Wind Renewable Energy Certificates ("ORECs").³ As part of its initial application to the Board ("Application"), Ocean Wind stated that there was a Memorandum of Understanding ("MOU") between Orsted North America, Inc. ("Ørsted"), the owner of Ocean Wind, and PSEG Renewable by which PSEG Renewable had an option to acquire an equity interest in the proposed project. The Application explained that, if PSEG Renewable exercised its option under the MOU, it was anticipated that PSEG Renewable would coordinate the development, permitting and construction of the onshore portions of the proposed project's interconnection and transmission facilities. In addition, the Application contained a certification from Ørsted that they would notify the Board of any changes to equity ownership interests and such changes would be subject to Board approval.

The Petition

On January 19, 2021, Ocean Wind and PSEG Renewable filed a joint petition, seeking approval of PSEG Renewable's acquisition of a 25% equity interest in the Project.

The Petition provides that PSEG Renewable's involvement will be an asset to numerous aspects of the Project. PSEG Renewable is part of Public Service Enterprise Group ("PSEG"), a diversified energy company involved in the generation, transmission and distribution of electricity with headquarters in Newark. The Petition maintains that PSEG's extensive experience in New Jersey will assist the Project in developing a "robust interconnection strategy that minimizes schedule risk and cost risk to New Jersey customers, and that "[a]s an equity investor, PSEG, subject to all applicable affiliate rules, will lead the development, permitting and construction of the onshore portion of the Project." Petition at 4. Further, the Petition notes that PSEG has "expertise in energy market trading and marketing . . . and will be responsible for scheduling and dispatch of the Project's energy output once in operation," which the Petition suggests, will ensure that OREC revenues, which are returned to ratepayers, are optimized. *Id.*

DISCUSSION AND FINDINGS

The Board carefully reviewed the Application and the Petition, and believes that the addition of PSEG Renewable as an equity investor in the Project brings significant experience and knowledge of New Jersey energy infrastructure to the Project team and increases the Project's access to energy marketing and hedging, which is important to optimizing the revenues that are credited back to ratepayers. The Board notes that the Petition expressly commits to following all applicable affiliate rules, which is critical to ensuring a level, competitive offshore wind industry. PSEG's experience in interconnection may likewise result in a cost savings to ratepayers and assist in the Project keeping to its schedule. The Board **HEREBY FINDS** that the Petition is

² In the Matter of the Opening of OREC Application Window for 1,100 Megawatts of Offshore Wind Capacity in Furtherance of Executive Order No. 8. Docket No. QO18080851. September 20, 2018.

³ In the Matter of the Board of Public Utilities Offshore Wind Solicitation for 1,100 MW – Evaluation of the Offshore Wind Applications. Docket No. QO18121289. June 21, 2019.

reasonable, in the best interest of New Jersey ratepayers, and in accordance with the law. The Board, therefore, **HEREBY APPROVES** the Petition. As an equity investor in the Project, PSEG Renewable is subject to all orders, rules and laws applicable to the Project.

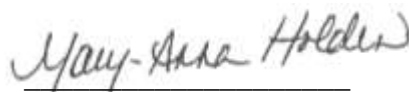
The effective date of this Order is April 3, 2021.

DATED: March 24, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

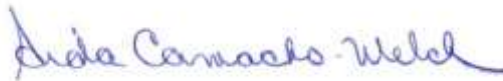


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

**DOCKET NO. QO18121289 – IN THE MATTER OF THE BOARD OF PUBLIC UTILITIES
OFFSHORE WIND SOLICITATION FOR 1,100 MW – EVALUATION OF THE OFFSHORE
WIND APPLICATIONS; AND**

**DOCKET NO. QO21030665 – IN THE MATTER OF PSEG RENEWABLE GENERATION, LLC
AND OCEAN WIND, LLC – REQUEST APPROVAL OF EQUITY INTEREST IN THE OCEAN
WIND QUALIFIED OFFSHORE WIND PROJECT**

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