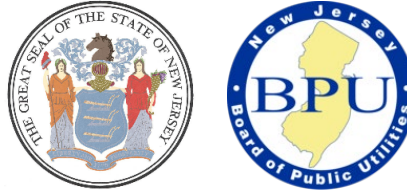


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Board of Public Utilities



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***REVISED**
March 7, 2022

NOTICE¹

STAKEHOLDER MEETINGS AND ADDITIONAL INFORMATION

IN THE MATTER OF OFFSHORE WIND TRANSMISSION

Docket No. [QO20100630](#)

Pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., the New Jersey Board of Public Utilities (“NJBP” or “Board”) hereby gives notice of a series of meetings to collect stakeholder input. The Board also gives notice of a request for additional information to inform the Board’s evaluation of offshore wind transmission proposals (“Proposals” or “Applications”) submitted to PJM Interconnection, LLC (“PJM”) pursuant to the PJM State Agreement Approach (“SAA”) set forth in the PJM Operating Agreement and memorialized in Docket No. ER22-902-000, currently pending before the Federal Energy Regulatory Commission (“FERC”).

Board Staff (“Staff”) will hold a series of virtual Stakeholder Meetings described below to solicit input from stakeholders that will help inform Staff’s evaluation of the Applications. There will be opportunity for public comment at each meeting on the subject discussed at that meeting. Written comments will also be accepted after any of the meetings regardless of whether a commenter participated in a meeting.

Meeting & Date	Agenda Focus	Registration Link
Meeting #1 March 22, 2022 10:00 a.m. to 3:00 p.m. EDT	General Description of SAA Goals and Evaluation Process, and Review of Applications Received	https://us06web.zoom.us/webinar/register/WN_o58zxMF7TOyM8HLZbWWegg This meeting will provide stakeholders with background on the SAA process generally and the evaluation process with respect to the review of Applications received in response to the PJM solicitation. Project sponsors will then be provided 15 minutes to introduce their company and proposed solution or solutions. Stakeholders may review the public version of all SAA Applications here . The remainder of this meeting will be for Staff to listen to stakeholder comments on the Applications, the SAA process, and the evaluation process for SAA Applications.
Meeting #2 March 30, 2022 10:00 a.m. to 3:00 p.m. EDT	Integration with Offshore Wind Generation Projects	https://us06web.zoom.us/webinar/register/WN_9IMUH_oiRxWP14Lv3f3BCg This meeting will explore how potential SAA projects will integrate with future offshore wind generation projects. Specific topics will include discussion of schedule risk allocation, design and

¹ Not a paid legal advertisement.

		technology compatibility, potential cable landfall impacts, or any other issues relevant to the topics. The format for this meeting is described below.
Meeting #3 April 4, 2022 10:00 a.m. to 3:00 p.m. EDT	Environmental and Permitting Issues	https://us06web.zoom.us/webinar/register/WN_89CFYXHGGQ1-8fqMWD17WSA <p>This meeting will explore potential impacts, both positive and negative, that potential SAA projects may have on wildlife, recreational and commercial fisheries, and natural resources. It will also explore potential issues with federal, state and local permitting. Specific topics will include type and location of offshore structures, cable routes and cable installation, integration with the Bureau of Ocean Energy Management (“BOEM”) approval processes, state and local permitting processes, or any other issues relevant to the topics. The format for this meeting is described below.</p>
Meeting #4 April 12, 2022 10:00 a.m. to 3:00 p.m. EDT	Ratepayer Protections and Cost Controls	https://us06web.zoom.us/webinar/register/WN_m4e1UU7FS26W_DY4fGsHuA <p>This meeting will explore how the cost of potential SAA projects will be borne and allocated. Specific topics will include how future users of any SAA transmission facilities not selected through New Jersey’s offshore wind generation solicitation process will pay their fair share of costs, how cost controls will be implemented, ratepayer protections, potential for federal funding and tax policy, cost allocation to New Jersey customers, or any other issues relevant to the topics. The format for this meeting is further described below.</p>

Please note that in the interest of public health and safety, these meetings will be conducted via webinar. You must register for the meetings before attending. Please register for any or all of the meetings at least 48 hours prior to the scheduled date.

After registration, you will receive a confirmation email containing information about joining the webinar and information about checking your system requirements in advance of the meeting. Stakeholders should check their access and devices in advance of the meeting to ensure they can properly connect to the meeting. If you would like to provide comments at one or more of these meetings, you may indicate that during the meeting registration process.

BACKGROUND

The Board has long recognized that limits on the existing transmission system, as well as the challenges associated with expanding or replacing transmission facilities, represent a major source of cost uncertainty and potential risk of delays in meeting the State’s offshore wind goals. The State’s ambitious offshore wind goals were set forth in Governor Murphy’s Executive Order No. 8, which directed the Board to take “all necessary actions . . . to promote and realize the development of wind energy off the coast of New Jersey to meet a goal of 3,500 megawatts (“MW”) of offshore wind energy generation by the year 2030.”² In 2019, Governor Murphy signed Executive Order No. 92, which increased the State’s offshore wind goal to 7,500 MW by 2035.³ In 2019, the New Jersey Legislature enshrined the concept of an “open access offshore wind transmission facility” into State law as meaning, “an open

² <https://nj.gov/infobank/eo/056murphy/pdf/EO-8.pdf>

³ <https://nj.gov/infobank/eo/056murphy/pdf/EO-92.pdf>

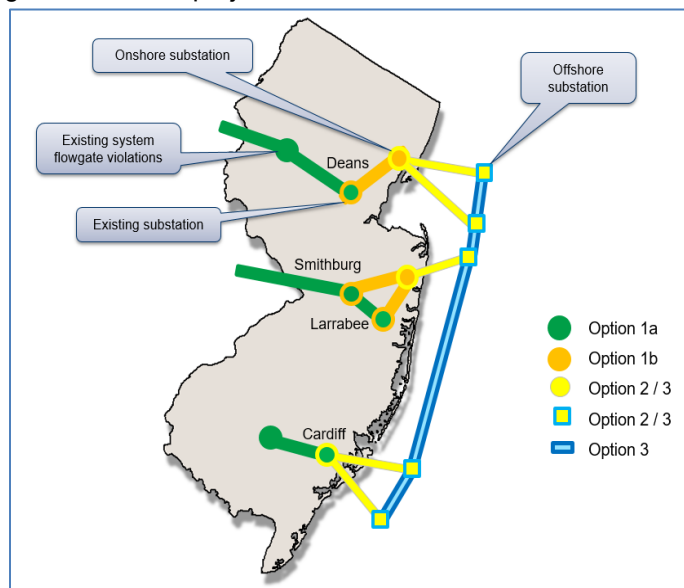
access transmission facility, located either in the Atlantic Ocean or onshore, used to facilitate the collection of offshore wind energy or its delivery to the electric transmission system in this State.”⁴

In its Order No. 1000, FERC directed each of its jurisdictional regional grid operators to “describe procedures that provide for the consideration of transmission needs driven by Public Policy Requirements in the regional transmission planning processes.”⁵ PJM, the regional grid operator for New Jersey’s electric grid and electricity transmission system, uses the transmission planning process called the Regional Transmission Expansion Plan (“RTEP”). In connection with its implementation of Order No. 1000, PJM incorporated the SAA into its Operating Agreement so that the RTEP complies with FERC directives. The SAA, which follows the RTEP transmission planning process, allows state governmental entities authorized by their respective states to be responsible, voluntarily, for the allocation of costs of a proposed transmission expansion or enhancement that addresses state public policy requirements that the applicable state(s) in the PJM Region have identified or accepted.

In its Order dated November 18, 2020 (“November 2020 Order”), the Board set forth its public policy in this matter, based on the public policy of the State of New Jersey as set out by the legislature and Governor Murphy’s 2019 Energy Master Plan (“EMP”).⁶ As detailed in the EMP, the State’s public policy is to expand the transmission system to accommodate the buildout of 7,500 MW of offshore wind by 2035. In furtherance of this public policy, the November 2020 Order formally requested that PJM incorporate the State’s public policy requirements into the PJM RTEP, via the SAA.

PJM, together with Staff, developed a solicitation for electric transmission project applications under the SAA to meet New Jersey’s public policy. PJM opened the SAA solicitation window on April 15, 2021, and the window closed on September 17, 2021. PJM received Applications from 13 entities proposing a total of 80 projects. The solicitation was structured to solicit Applications for four distinct options shown below, with each entity having the choice to propose more than one option:

- **Option 1a** – onshore upgrades;
- **Option 1b** – extending the upgraded grid closer to the shore;
- **Option 2** – bringing offshore wind generation to and across the shore, including potential ocean facilities; and
- **Option 3** – connecting offshore wind projects and/or ocean facilities in the ocean.



⁴ N.J.S.A. 48:3-51

⁵ <https://www.ferc.gov/sites/default/files/2020-06/Order-1000.pdf>

⁶ See Board Order, Docket No.QO20100630 (Nov. 18, 2020),

<https://www.nj.gov/bpu/pdf/boardorders/2020/20201118/8D%20-%20ORDER%20Offshore%20Wind%20Transmission.pdf>

Note that the sketch above is for information purposes only and does not represent specific locations of on-shore or offshore components.

PJM is currently reviewing the Applications in accordance with their requirements, and Staff and its consultant on this matter are also reviewing the Applications. The evaluation criteria include:⁷

PJM system reliability – ability to provide a solution to the needs defined in the problem statements, additional needs identified by the proposing entities, or the needs associated with alternative POIs and to resolve potential reliability criteria violations on PJM facilities in accordance with all applicable planning criteria (PJM, NERC, SERC, RFC, and Local Transmission Owner criteria), including the solution’s ability to (a) resolve identified PJM reliability violations and satisfy any applicable criteria that may impact the performance measurement of the project even if it was not explicitly stated as part of the original problem statement; and (b) reduce the need for must-run generation and special operating procedures, extreme weather outages and weather-related multiple unforced outages, probability of common mode outages due to electrical and non-electrical causes, islanding, and power quality degradation.

Project constructability – the extent to which the proposal identifies, addresses, and mitigates (through technical studies and documentation of experience with similar solutions elsewhere) the financing, constructability, execution, technology, environmental, and permitting challenges of the proposed solution, including the need for construction- or other-related outages on related transmission facilities.

Project costs – total cost of proposed solutions and individual elements (partial solutions); quality of proposed innovative cost control approaches (such as phased-in development of project segments, capped project costs or capped revenue requirements, and cost recovery for excess or unused capacity) or leveled cost recovery options (such as trended original costs, which may improve the intergenerational equity of cost recovery); financial commitments regarding rate of return, specific provisions to protect against cost overruns, or other comparable provisions designed to control costs.

Project risk mitigation – ability of the proposed solution to mitigate environmental, permitting, financing, constructability, timing, project-on-project (including the use of financial assurance mechanisms, guaranteed in-service dates or financial commitments contingent on meeting targeted commercial online dates, and delay damage payment provisions), and any other risks that could increase costs, reduce value, or delay the development and delivery of offshore wind generation for New Jersey.

Environmental benefits – ability of the proposed solution to minimize potential environmental impacts; minimize impacts to marine, nearshore, and onshore habitats, listed species, cultural resources, air (emissions) including potential benefits, water quality, noise, aesthetics, tourism, and navigation; minimize impacts related to fisheries resources and the fishing community and industry.

Permitting plan – ability of the proposed solution to minimize permitting risks, including plan for and likelihood of achieving all necessary State and Federal regulatory agency approvals, permits, or other authorizations; likelihood of meeting projected commercial operation dates, operation and maintenance plans, site control or ability to achieve site control, constructability, project longevity, and project schedule.

Quality of proposal and developer experience – quality of project documentation and proposal description, discussion of commitments and benefits, and supporting analyses and benefits quantifications (including documentation of assumptions and analyses, if any); documentation of developer experience relevant to the successful implementation of the proposed solution.

Flexibility, modularity, and option value of solutions – ability of project proposals to achieve efficient outcomes through combinations of solutions for Options 1a, 1b, 2, and 3 needs, or ways in which proposed solutions, or portions of proposed solutions, can be combined, integrated, and sequenced to more cost effectively achieve the State’s overall public policy and risk mitigation objectives; ability of the proposed solution to accommodate future increases in offshore wind generation above current plans; innovative

⁷ The criteria and all other PJM solicitation documents can be found here <https://www.pjm.com/planning/competitive-planning-process>

solutions that yield a transmission investment schedule that is optimally aligned with the planned schedule of offshore wind generation procurements.

Market value of offshore wind generation – ability of the proposed solution to maximize the energy, capacity and Renewable Energy Credit (REC) values of offshore wind generation delivered to the chosen POIs, including mitigation of curtailment risks, and the level and sustainability of PJM capacity, congestion, or other rights created by the proposed solution that increase the delivered value of the wind generation or otherwise reduce the total cost of the proposal.

Additional New Jersey benefits – ability of proposed solutions and associated upgrades to provide additional onshore grid related benefits, resolve PJM market congestion, and/or otherwise reduce or avoid PJM-related costs and improve PJM market performance; this includes (a) energy market benefits, including energy deliverability of offshore wind production or curtailment, production cost savings, or other benefits; (b) identification of benefits to the transmission system, including synergies with transmission solutions from already-ongoing procurements, opportunistic replacement of aging transmission infrastructure, the creation of valuable transmission-related rights, and other transmission cost savings; (c) capacity market benefits (including CETL increases), improve resiliency/redundancy, avoid future costs (such as future reliability upgrades or aging facilities replacements); (d) other benefits, including state energy sufficiency, improvements in local transmission and distribution outage statistics, reduced utilization of aging infrastructure, and improvements in local resiliency.

ADDITIONAL INFORMATION

A. Format for Meetings #2-4

Meetings #2-4 will begin with Staff and the consultant for this matter providing stakeholders with background on the meeting topic. The meetings will continue with presentations from stakeholders. Staff envisions selecting up to approximately eight presenters for each meeting, and will endeavor to ensure that various interests and a diversity of opinions and constituencies are represented. **Parties interested in presenting at one or more of these meetings should self-nominate by submitting an email to Jim.Ferris@bpu.nj.gov.** The email should include the subject header “Request to be a Presenter at SAA Stakeholder Meeting” and should include the following information:

1. The meeting number at which the individual wishes to provide their presentation;
2. The individual’s name, title and affiliation;
3. The topic of the presentation; and
4. A short description (no more than one page) explaining why the individual should be selected for the presentation.

For Meeting #2 on March 30, 2022, parties should self-nominate no later than March 11, 2022 and will be notified if selected to present by March 16, 2022. If selected, the final presentation must be submitted by March 23, 2022. For Meetings #3 and #4, parties should self-nominate at least three weeks prior to the meeting and selected presenters will be notified approximately 10 days prior to the meeting date at which they requested to present. The selected speakers will be required to submit their final presentation materials no later than one week in advance of the meeting date.

Other stakeholders will be given an opportunity to provide comments at the end of the presentations, time permitting.

B. Comments

Following the completion of all presentations, stakeholders may comment on the topics discussed at the meeting, time permitting. Staff will also accept written comments on any of the topics discussed at this series of meetings, regardless of whether the commenter participated in any of the meetings.

The deadline for comments on this matter is 5 p.m. EDT on April 29, 2022.

Please submit comments directly to the specific docket listed above using the “Post Comments” button on the Board’s [Public Document Search](#) tool. Comments are considered “public documents” for purposes of the State’s Open Public Records Act and any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3.

Written comments may also be submitted to:

Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, NJ 08625-0350
Phone: 609-292-1599
Email: board.secretary@bpu.nj.gov

C. Submittal of Project Applications to NJBPU

In order to develop the Board’s record and assist in the evaluation of the Applications, Staff requires that all Applications and any subsequent information and materials that have been submitted to PJM be submitted by each applicant to the Board by 5 p.m. EDT on *March 28, 2022**, in accordance with the Board’s filing rules.**

All materials filed with the Board are public documents and are therefore subject to the good government sunshine laws of the State of New Jersey. However, the Board appreciates the confidential nature of some of the material that must be submitted and recognizes that New Jersey law allows Applicants to request protection of:

any information ... which in the person's or entity's opinion constitutes trade secrets, energy trade secrets or other energy information submitted pursuant to N.J.S.A. 52:27F-18, proprietary commercial or financial information, or information which if disclosed, would be likely to cause damage to either a competitive or bidding position or national security, may assert a confidentiality claim by following the procedures set forth in this subchapter.
N.J.A.C. 14-1-12.1(b).

To facilitate the review process, Board Staff requests that each Applicant submit public (redacted) and confidential (unredacted) versions of their Application originally submitted to PJM, along with any subsequent information and materials that have been submitted to PJM, per the Board’s Rules of Practice and Procedure governing submission of confidential materials, N.J.A.C. 14-1-12.1, et seq., and the Open Public Records Act, N.J.S.A. 47:1A-1 et seq. (“OPRA”). Each file should include “Public” or “Confidential” in the file name. Please ensure that any information submitted to PJM that was marked as public, is similarly treated here.

For the confidential version of Applications, please include a statement identifying each type of data or materials the Applicant asserts are exempt from public disclosure under OPRA and/or the common law and explaining the basis for the proposed redaction.

Applicants may (but are not required to) provide updated information that was not reasonably available at the time the initial Applications or any additional materials were submitted to PJM, if that information may have a material impact on their Application, but only under the following limited circumstances: (i) updated information regarding the progress in permitting or siting the project; (ii) updated information necessary to reflect the actual lease areas included in the BOEM NY Bight lease area auction; and (iii) updated information for which sufficient cause exists to provide in the Applicant’s good faith, reasonable judgement. The updated information must be provided in a single, concise document that also includes why the information could not have been included in the original submission. Any update that entails changes to PJM’s technical evaluation process must be addressed through the PJM process, as and if permitted by PJM. Any information provided will be made part of the decisional record. Staff may also request updates as part of the clarifying question process described below. Staff may elect not to consider the updated information in its evaluation process.

The Board notes that it may elect to share confidential portions of the Application materials with other New Jersey government entities, including, but not limited to, Rate Counsel, the Department of Environmental Protection, and the Economic Development Authority, along with their respective consultants.

The Board also notes that during the evaluation and before a Board decision on this matter, the Board may share certain confidential information with BOEM for their use in determining the existence of a competitive interest, as determined by BOEM. BOEM may make this information public, as required by law.

D. SAA Evaluation Schedule and Process

The evaluation of Applications by PJM and Board Staff began at the close of the SAA solicitation window and is ongoing. Staff anticipates a Board decision on the SAA initiative by October 2022. In order to include the results of the decision in the draft and final Generation Solicitation #3 Guidance Document, the schedule for Generation Solicitation #3 has been revised. Details can be found [here](#).

Board Staff may pose clarifying questions (“CQs”) to Applicants throughout the Board’s evaluation period. Applicants will have a maximum of two weeks to respond to CQs, although Board Staff reserves the right to establish a shorter response period. Board Staff may also schedule in-person or virtual interviews with Applicants. Staff may elect to have the interview recorded, either electronically or through the use of a court reporter. All materials submitted and statements made during the CQ and interview process will be considered binding on the Applicant and may be considered as part of Board Staff’s formal evaluation. Board Staff will endeavor to provide Applicants with as much advanced notice as possible regarding expected engagement as the evaluation proceeds.



AIDA CAMACHO-WELCH
SECRETARY

Dated: March 4, 2022