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Aida Camacho-Welch
Secretary of the Board of Public Utilities
State of New Jersey
44 South Clinton Avenue
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Trenton, New Jersey 08625-0350

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

Dear Ms. Camacho-Welch:

On behalf of our member companies that provide more than 1 million jobs in the state and make the New Jersey Business & Industry Association the largest statewide business association in the country, we are submitting the following comments on Docket No. QX18040466 – In the matter of Offshore Wind Solicitation of 1,100 Megawatts.

NJBIA supports Governor Murphy’s objective in diversifying our energy portfolio and seeking to expand an industry in New Jersey. While seeking to achieve this objective, NJBIA requests the BPU keep at the forefront of its consideration the impact to all ratepayers in the state, as the solicitation of offshore wind is just one of several new energy projects under consideration or signed into law in 2018.

As NJBIA has noted in previous comments and testimony related to the proposed offshore wind energy plan, New Jersey currently has the highest electric rates in our grid and the 12th highest in the country. The commercial and industrial ratepayer consumes 64 percent of the electricity in New Jersey and has a vested interest in the development of energy policy, the implications on competitiveness and ratepayer impact. Currently, 24 percent of the electric bill is from government imposed taxes and fees. NJBIA has been involved in this discussion for many years and seeks to balance the environment with the economic impacts to ratepayers. We applaud the efforts of the Governor and legislative leaders for their vision on this topic and continuing the dialog regarding wind power.

As the cost of this investment will ultimately be recovered from ratepayers who are already paying among the highest prices in the nation, the BPU should ensure that its process for soliciting and selecting bids for offshore wind energy considers the economic impact of those projects on ratepayers and any indirect effects they may have on the market as a whole.

Most importantly, New Jersey should begin this process by adopting several of the best practices we’ve seen elsewhere throughout our region. For instance, Massachusetts recently announced a winning bid in its competitive process for an 800 MW project just off the coast of Martha’s Vineyard. This process was transparent to the public and began with a detailed request for proposal (RFP) that outlined exactly how proposals would be scored and considered. New Jersey ratepayers would be best served if the state modeled its solicitation plan off of the successful, fair and open one already exhibited in Massachusetts.

Part of Massachusetts' process required that each proposal was scored on its quantitative and qualitative costs and benefits once it was determined to have met eligibility criteria. These proposals were then weighed against one another with these scores in mind. Given the already high costs facing New Jersey ratepayers, NJBIA suggests that any proposal selected by the BPU not only have its costs and benefits considered, but that this analysis should show a net positive impact for the state's ratepayers. Such a requirement would ensure that New Jersey ratepayers will not be further disadvantaged by this process and that they will enjoy the benefits of a diversified energy portfolio along with the rest of the state.

Furthermore, given the uncertainty of the impacts of such large investments, NJBIA recommends that BPU develop a clear and detailed outline of the state's plan to reach its goal of 3,500 MW of offshore wind energy by 2030. Such a plan would detail a timeline for additional procurements, specify the size of future project solicitations, and provide additional information about how the state intends to attract future investment and development.

Offshore wind is a laudable goal and a potential component of our energy portfolio. NJBIA recognizes that a stable electric grid receives power from a diverse mix of sources, but we must be sure that ratepayers are not inadvertently disadvantaged in order to accomplish these goals.

Job creation and industry expansion should be considered in the cost/benefit analysis. Will the jobs be sustained after the installation of the projects? Does New Jersey's current workforce possess the skill set necessary to build these projects?

It is impossible to know what our energy needs or landscape will look like in 20 years, let alone 30 years' time. We continue to request that you consider the following matters related to this long-term policy:

- What is the cost benefit analysis for ratepayers to subsidy this type of power?
- How much will this new energy source cost businesses in increased rates?
- How many potential jobs will be lost as energy prices continue to rise?
- How many jobs will be gained as a result of this project?
- Are there other alternatives that could meet our policy goals while protecting ratepayers?
- How can New Jersey ensure, through workforce development strategies, that we have the skilled labor to manufacture and install the wind projects in order to capture these jobs within New Jersey verses the need to utilize talent from other states, let alone other countries?

NJBIA asks that any offshore wind solicitation of 1,100 MW be open, competitive, and transparent. We ask that it outline in advance how specifically proposal evaluators will monitor and weigh the costs and benefits to commercial ratepayers, to the state's economy, to the cost of material production, and to the environment. A primary criteria for selection should be to ensure that the proposal not create an unreasonable burden to commercial and industrial ratepayers in New Jersey.

Thank you for your consideration of our comments.



Christine Buteas
Chief Government Affairs Officer