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Newark, N.J.

New Jersey Board of Public Utilities Awards Historic 1,100 MW Offshore Wind Solicitation to Ørsted's Ocean Wind Project

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*From the New Jersey Board of Public Utilities:**As New Jersey Advances 100 Percent Clean Energy Goals, Project Will Generate \$1.17 Billion in Economic Benefits, Create 15,000 Jobs*

TRENTON - The New Jersey Board of Public Utilities (NJBPU) today unanimously granted the state's first award for offshore wind to Ørsted's Ocean Wind 1,100 MW project, giving the company the opportunity to build 1,100 MW of offshore wind in federal waters. The 1,100 MW of offshore wind is expected to power roughly 500,000 New Jersey homes and generate \$1.17 billion in economic benefits, in addition to creating an estimated 15,000 jobs over the project life.

Today's decision sets the record for the single largest award for offshore wind in the country to date and marks further progress toward meeting the state's goal of 3,500 MW of offshore wind by 2030, and Governor Phil Murphy's vision of 100 percent clean energy for the state by 2050.

"Today's historic announcement will revolutionize the offshore wind industry here in New Jersey and along the entire East Coast," **said Governor Murphy**. "Building our offshore wind industry will create thousands of jobs, invite new investments into our state, and put us on a path to reaching our goal of 3,500 MW of offshore wind by 2030. This award is a monumental step in making New Jersey a global leader in offshore wind development and deployment."

"Thanks to Governor Murphy's leadership and his trust in the NJBPU to deliver upon the important promise of offshore wind, today we have taken another important step forward into our 100 percent clean energy future," **said NJBPU President Joseph L. Fiordaliso**. "With today's award of 1,100 MW of offshore wind, a safer, healthier future for New Jersey is looking brighter and closer than ever."

"Today's action by the NJBPU represents a major milestone toward our goal of becoming the capital of the American wind industry," **said NJEDA Chief Executive Officer Tim Sullivan**. "Clean energy plays a significant role in Governor Murphy's vision for a stronger and fairer economy, and we are thrilled to be partnering with the BPU and selected developers to advance this high-growth sector that will create thousands of good-paying jobs and supply chain opportunities." □ Back to top

Sullivan added that the newly-created [New Jersey Offshore Wind Supply Chain Registry](#) will be a powerful tool for ensuring that New Jersey-based companies can take advantage of the opportunities created by these new offshore wind projects.

"To help lessen the impacts of climate change and rising sea levels, it is critical that New Jersey develop clean energy sources that reduce the level of carbon in our atmosphere," said **Department of Environmental Protection Commissioner Catherine R. McCabe**. "I am proud to lead the DEP in its partnership with the BPU to aggressively pursue Governor Murphy's vision of expanding New Jersey's offshore wind capacity, while ensuring that we continue to protect our coastal ecosystems and abundant fisheries. Today's announcement brings us one step closer to our clean energy future, will create new opportunities for economic growth, and furthers our mission of protecting New Jersey's environment."

The offshore wind application window opened on September 20, 2018, and closed on December 28, 2018. The Board received applications from three offshore wind developers: Atlantic Shores Offshore Wind, a partnership between EDF Renewables and Shell New Energies; Boardwalk Wind, sponsored by Equinor; and Ocean Wind, which is backed by a memorandum of understanding between Ørsted and PSEG Renewable Generation.

Evaluation criteria included offshore wind renewable energy certificates (OREC) purchase price, economic impact, ratepayer impact, environmental impact, the strength of guarantees for economic impact, and the likelihood of successful commercial operation.

- Ørsted's Ocean Wind project offered a first year OREC price of \$98.10 per MWh. The levelized net OREC Cost—which represents the actual OREC costs paid by ratepayers after energy and capacity revenues are refunded to ratepayers – is estimated at \$46.46/MWh, with an estimated ratepayer impact of a monthly bill increase of \$1.46 for residential, \$13.05 for commercial, and \$110.10 for industrial customers.

The Board determined which project was most beneficial to the State of New Jersey. In selecting Ørsted's Ocean Wind 1100 MW project, they concluded that:

- Ørsted's Ocean Wind economic development plans were the most detailed and offered the most benefit to New Jersey. Its 1,100 MW facility is estimated to result in net economic benefits of \$1.17 billion to the state. Ocean Wind also provided the strongest economic guarantees to ensure local content, including manufacturing.
- While all of the proposed projects would help New Jersey reduce greenhouse gas emissions, Ocean Wind's environmental protection plan, including mitigation of environmental impacts, was most complete and most advanced; the developer's experience in this arena further distinguished its application.
- Ørsted provides the best chance of successful development due to its depth of knowledge, as well as global and regional experience and advanced stage of planning.

Based on the analysis that Ørsted's project offered the strongest contribution to New Jersey's economy, combatted climate change, provided added reliability to the transmission network, and did so at the lowest reasonable cost and risk, the Board approved Ørsted's application.

The Board acted on the applications prior to July 1 in order to provide sufficient time for the winning bidder to qualify for federal investment tax credits that expire at the end of this year. It is estimated that these credits could save New Jersey ratepayers approximately 12 percent of the total project cost.

About Offshore Wind

Governor Murphy was the first Governor to campaign on a policy of 100 percent clean energy. Only 11 days after taking office, he signed Executive Order No. 8 directing NJBPU and other state agencies to:

- Implement the Offshore Wind Economic Development Act (OWEDA) to develop 3,500 MW of wind energy off the coast of the state by 2030;
- Develop an Offshore Wind Energy Certificate (OREC) pricing plan, and;
- Issue an 1,100 MW solicitation of offshore wind.

In the first significant step toward meeting the state's goal of 3,500 MW of offshore wind by 2030 and achieving Governor Murphy's goal of 100 percent clean energy by 2050, the Board opened the 1,100 MW solicitation, the nation's largest single-state solicitation of offshore wind.

The Board adopted a rule last fall that enacted an OREC Funding Mechanism, which established how an offshore wind project is funded and how revenues earned from the project would flow back to ratepayers.

The NJBPU and other state agencies were also tasked with developing an Offshore Wind Strategic Plan, which included achieving scale to reduce costs, job growth, supply chain businesses, workforce development, data collection, and appropriate siting of facilities.

Later in 2018, the Governor asked NJBPU to open two additional 1,200 MW solicitations – one in 2020 and another in 2022.

In developing both the initial 1,100 MW solicitation and the Offshore Wind Strategic Plan, NJBPU conducted a robust public engagement process featuring several hearings during which members of the public and key stakeholders provided input.

In May 2019, the Economic Development Authority launched the [New Jersey Offshore Wind Supply Chain Registry](#), where companies can register to express interest in becoming part of the wind industry in New Jersey.

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