

**SOLICITATION FOR PROPOSALS TO DEVELOP OFF-SHORE WIND RENEWABLE ENERGY FACILITIES  
SUPPLYING ELECTRICITY TO THE DISTRIBUTION SYSTEM SERVING NEW JERSEY  
RESPONSES TO BIDDERS QUESTIONS**

NAME	QUESTION	OCE RESPONSE
Paul Gallagher ACUA	1. Will entities that either bypass this proposal or are unsuccessful participants in this proposal be barred from bringing forth offshore development projects until the completion of this pilot test?	While it was the recommendation of the BRP for one test pilot to proceed initially, the State has not established an official policy with regard to this issue.
	2. Will the successful entity in this process be essentially given exclusivity for the duration of the test: alternatively, will other entities face a defacto moratorium until the pilot test is complete?	See response to question 1 above.
	3. Assuming MMS finalizes its rulemaking, but before the pilot test has concluded its construction phase and post construction monitoring, would the State accept and process applications from a new entity (one that did not participate in this process) for transmission and interconnection permits within State jurisdiction?	See response to question 1 above.
Steve Radel JayCashman	4. Will the BPU extend the bid solicitation deadline to beyond January 16, 2008? We respectfully request a three to five month extension given the significant amount of work that needs to be performed in order to be as responsive as possible. Without this extension parties will have a difficult time establishing teaming arrangements, working through the upcoming holidays, and	If there are any extensions to the proposal submission deadline, the OCE will post notices of such extensions under "Updates" on its web site found at <a href="http://www.njcleanenergy.com">www.njcleanenergy.com</a> ,

	adequately addressing the items requested. Further, we believe the request for an extension is valid, for the reasons noted and the fact that the bird study window was missed for Fall 2007 automatically lengthening the project schedule by one year.	
	<b>5. Will the BPU include a second round of questions several weeks after the responses to these questions have been reviewed?</b>	It is anticipated that the responses to this first set of questions will be the end of the Question and Answer ("Q & A") period for this solicitation. However, should the State allow for additional Q & A, it will notify all interested parties of its intent to do so through a notice on its website, which is identified in response to Question 4 above.
	<b>6. Does the grant solicitation award provide exclusive rights to develop an offshore wind project?</b>	See response to question 1 above.
	<b>7. Does a NJ offshore project require the project be constructed in NJ State waters (within 3 miles from the shore)? and will a project proposed in either NJ State waters or Federal waters receive a different review ranking? In other words, is there a preference for a project in State or Federal waters?</b>	The NJ offshore wind project's location can be anywhere within the geography described in the solicitation.
	<b>8. Will the BPU provide a date or deadline in which BPU can cancel the award? For example, the Developer needs to have certainty to attract significant outside investment. The timeframe for this could be linked to permit approvals.</b>	No, the NJBPU does not have a date or deadline to cancel the award. Rather, as set forth in the solicitation, the State reserves the right to rescind the award in the event that the successful applicant fails to obtain all necessary permits or the NJBPU determines that the construction and/or operation of the offshore wind project would have unacceptable adverse impacts on wildlife, ocean uses, ocean resources, or the environment, economy or tourism.
	<b>9. When will a draft Grant Agreement be available to review?</b>	For a copy of a draft grant agreement, the Jersey Atlantic Wind (JAW) agreement can be obtained for review at the URL listed: <a href="http://www.njcleanenergy.com/renewable-energy/technologies/wind/wind-working-group/resource-links/resource-links">http://www.njcleanenergy.com/renewable-energy/technologies/wind/wind-working-group/resource-links/resource-links</a> .
	<b>10. If the Grant Agreement will be similar to other final Agreements, when will these example Agreements from other projects be available and how can they be accessed?</b>	See response to question 9 above.

	<b>11. What taxes will NJ levy on the project?</b>	Applicants should consult with a tax advisor.
	<b>12. Does the BPU have any relevant information on the PJM data congestion and load pockets?</b>	You may find information on PJM data congestion and load pockets by visiting the PJM website at <a href="http://www.pjm.com">www.pjm.com</a> . The BPU website at <a href="http://www.bpu.state.nj.us">www.bpu.state.nj.us</a> has other relevant PJM information. The BRP Interim Report has additional references to PJM.
	<b>13. Does the BPU have any information available on obtaining leases from the DOIMMS, for example terms or example leases?</b>	No, applicants must identify appropriate State or Federal agencies they will be contacting for land acquisition issues and provide the OCE with a summary of the required arrangements for verification purposes. The MMS site for obtaining information on leases is located at: <a href="http://www.mms.gov/offshore/RenewableEnergy/RenewableEnergyMain.htm">http://www.mms.gov/offshore/RenewableEnergy/RenewableEnergyMain.htm</a>
	<b>14. Will the BPU revise Section 3.2.3 Previous Experience, to acknowledge that the Applicants Team will remain its team for the duration of the project, and that any changes to be approved by the Board will not be unreasonably withheld?</b>	Any changes to be approved by the Board will not be unreasonably withheld.
	<b>15. Regarding reallocation of personnel, will the BPU please also stipulate that the Boards approval shall not be unreasonably withheld in those instances where applicants reallocate their personnel/resources used to obtain the award?</b>	See Response to Question 14 above.

	<b>16. Are entities not awarded the solicitation barred from pursuing offshore wind projects in NJ State waters?</b>	See response to question 1 above.
	<b>17. Will the BPU through its Proposal Evaluation Committee develop a proposal review procedure and rank the proposal criteria in order of importance using a weighting system so the proposing entities understand the areas of extreme importance to the evaluation committee?</b>	Prior to the opening of the proposals, the Evaluation Committee will have prepared a proposal review procedure and weighted proposal criteria that will be used to evaluate the proposals and will only be shared among the Committee members.
	<b>18. Are firms that worked on feasibility and current baseline ecological studies precluded from being part of a Developer Solicitation Team?</b>	While this solicitation has not expressly addressed this situation, applicants are encouraged to review the contractual provisions of the NJDEP's Ecological Baseline Study and NJ Commerce's Economic Study. NJDEP responded to a similar question as part of their RFP and stated that "Wind energy developers, power suppliers, utilities, or any other entity that may have a vested interest in the outcome of the study or would subsequently be direct participants in construction, operation, and ownership of wind energy facilities off the coast of New Jersey in State or federal waters are prohibited from participating in this study and shall not be awarded this contract."
<b>Doug Pfeister BlueWaterWind</b>	<b>19. Section 3.2.1, Pages 14-15: The Cover Sheet and Abstract are identified as being one-page documents. Considering the large amount of information required for the proposal, it will be very difficult to keep these two documents to that length. Are there penalties associated with exceeding the length? Is there flexibility concerning this limit?</b>	There are no penalties for exceeding the page length however brevity is encouraged and will be rewarded in the evaluation process. Applicants are encouraged to follow all directions for submission of proposals as expressed in the solicitation. Please use the appropriate sections within the Scope of Work for supplying additional detail.
	<b>20. Section 3.2.5, Page 21, first paragraph: Are these meetings intended to be with the Office of Clean Energy or as internal to the development team? If they are meant to be with external agencies (e.g., Office of Clean Energy) how should the applicant</b>	These requirements are intended for the applicant and its internal team; however the applicant must invite the external agencies including OCE staff, members of the OCE evaluation team including but not limited to NJDEP, NJEDA and NJ Commerce to the kickoff and related project management meetings. Demonstrating compliance with this requirement is the submittal of a schedule and plan for such meetings.

	<p><b>“plan” such meetings for the purpose of demonstrating compliance with this requirement?</b></p>	
	<p><b>21. Section 4.2, Pages 24 – 26: What will be the system and criteria for scoring? How and when will the “detailed evaluation criteria weighting system” be developed? (A comprehensive scoring system was developed for the 2006 Delaware power supply RFP, including point allocations for: environmental impacts, fuel diversity, technological innovation, project timelines, site selection, and project financeability.)</b></p>	<p>Also, see response to 17 above.</p>
	<p><b>22. Section 3.2.5, Page 21, second paragraph: The Solicitation contemplates a possible outcome of multiple winners. How will the awards be decided and granted in this case? For example, how would the 350 megawatts be divided among multiple awardees?</b></p>	<p>Although the State reserves the right to do otherwise, it is anticipated that the award for this grant will be made to one (1) team. The reference to “Awardee(s)” is generally used here to include all parties composing the entire team. With respect to additional projects, see response to question 1 above.</p>
	<p><b>23. Section 1.3, Pages 8-9: Why must data, project designs, and attributes be provided to the Board “for use as it determines” in the case of a “breach or default” by the successful applicant?</b></p>	<p>The winning applicant will be eligible for up to \$1.9 million in funds for offshore wind development work. In the case of a breach or default, the work performed prior to such breach or default and any associated documentation is expected to continue to have value for New Jersey citizens. These funds are derived from the ratepayers of regulated utilities within New Jersey. The BPU is intent upon ensuring the greatest value from this solicitation to test the viability of offshore wind for New Jersey.</p>
	<p><b>24. Section 4.1, Page 24: This Section asserts that what will be awarded under this Solicitation to the winning bidder is solely the grant award. In order to build a wind park, a developer needs a Power Purchase Agreement (PPA), off-shore development rights, and</b></p>	<p>No legislation is anticipated to be necessary for the rights to construct and enter PPAs. A PPA for energy offtake from this project is anticipated to be a private contract between the project owner and a third party such as an electric supplier or Electric Distribution Company.</p> <p>NJDEP has posted a list of potential permits and approvals which may be required at the Office of Permit Coordination and Environmental Review website at <a href="http://www.nj.gov/dep/opppc/permitcoor.htm">http://www.nj.gov/dep/opppc/permitcoor.htm</a></p>

	<p><b>other regulatory permits. Pursuant to what legislation will the rights to construct the wind park and enter into a PPA be awarded?</b></p>	
	<p><b>25. Section 4.3, Page 26: What is the scope and type of the proposed “bond or another instrument” to be requested from the successful applicant?</b></p>	<p>A performance and decommissioning bond proposal is required of the winning applicant and will be a factor used by the evaluation team in the evaluation process.</p>
	<p><b>26. Section 4.2.7, Page 27: How will applicants be judged with respect to the amount of funding they seek? Will those requesting a small amount be judged more favorably than those seeking a larger sum – or vice versa?</b></p>	<p>Prior to the opening of the proposals, the Evaluation Committee will have prepared a proposal review procedure and weighted proposal criteria that will be used to evaluate the proposals and will only be shared among the Committee members. Also, see response to question 25 above.</p> <p>All things being equal, an applicant seeking less funding will be evaluated higher than one seeking more funding. The cost to generate after the turbines are operational will be a factor in the evaluation.</p>
	<p><b>27. Will a project that seeks no funding be subject to the same requirements as one that seeks some amount of financial assistance? For instance, would a developer taking no funds from the State still be required to comply with the Statement of Work in Section 3.2.5?</b></p>	<p>Yes</p>
	<p><b>28. Section 1.3, Page 8, paragraph 4: This paragraph says that in the event of default by the successful applicant, ownership of any air emissions and tradable credits reverts to the State until such time as the financing under the program is fully recovered. This implies that the State may have a first lien on the air emissions and other tradable credits. This may somewhat complicate inter-creditor arrangements with lenders to the project and counterparties to trading</b></p>	<p>It is not anticipated that the State will have a first lien on emissions credits. Please specify any details or concerns of your team in the appropriate sections of your submission, include any documentation on the expected monetary impacts of this provision and recommendations for pre-award contractual treatment.</p>

	<b>agreements. What collateral will the Board require? Will the Board have a lien over air emissions and tradable credits?</b>	
	<b>29. Section 2.2.1, Page 12, last paragraph: Does the “aggregate capacity not to exceed 350 MW” refer to nameplate capacity or peak generation delivered to the busbar?</b>	This project size should not exceed 350 MW in nameplate capacity.
	<b>30. Section 2.2, Page 11, second paragraph: Please explain the requirement that “only those applications proposing to receive the exact incentives on a per kilowatt hour basis required from New Jersey’s Clean Energy Program will be considered.” What are these “exact incentives”?</b>	In Order to evaluate the proposals, BPU has requested that applicants express an exact amount of incentive required on a per kilowatt hour basis to enable comparison of submissions. If the evaluation team cannot determine the amount of incentive requested on a per kWh delivered basis, the submission may be subject to denial or a lower score by the evaluation team.
	<b>31. Section 3.2.3, Page 16: The applicant is required to list any limitations with respect to siting. Considering that not all of the federal siting requirements from the Minerals Management Service (MMS) will be published before January 16, 2008, the applicant may need to make subsequent changes to its proposal and planning documents. How will the Board manage these subsequent changes?</b>	Applicants' proposals should be flexible enough to enable modification as discovery of relevant facts unfold.
	<b>32. Section 3.2.3, Page 17: The paragraph on Schedule indicates that the one asked for here is “in addition to the project timeline as referenced and required in section 3.2.4.” Please indicate how these schedules are different from one another.</b>	Section 3.2.3, the schedule requested here is for each distinct project component proposed. Section 3.2.4 is a request for a schedule from start to finish including 3.2.3.

	<b>33. Please confirm that the applicants may propose multiple candidate offshore wind park areas and multiple transmission interconnection points in a single proposal and that the evaluation criteria will be applied to each alternative site and interconnection point.</b>	Evaluation criteria will be applied consistently to each unique application and all the component elements within a single application. Multiple applications from a single team will be accepted and evaluated separately.
	<b>34. Does the solicitation imply any limit on the number of turbines in the project proposal?</b>	Applications will be accepted proposing any size wind turbine and project capacity with an aggregate capacity not to exceed 350 MW.
	<b>35. In the event the awardee is unable to fulfill its obligations under the Solicitation, will the BPU designate and then select a runner-up that will assume full control of the project and complete it from that point forward?</b>	Project applications are expected to be completed by the proposing team. However, the Board reserves the right to select another winner for the project under such circumstances.
	<i>A note on environmental questions: It has been made clear that environmentally related questions may be directed to the New Jersey Department of Environmental Protection at their meeting on November 9. However, we respectfully request that the Board of Public Utilities consider answering these questions in the event they are not all answered by the DEP at that meeting.</i>	Noted, see subsequent responses below.
	<b>36. Section 1.1, Page 4, third paragraph: The Solicitation indicates that applicants are expected to present a plan to adapt their proposals to the results of the NJDEP Ecological Baseline Studies and NJ Commerce Economic Assessment. The Ecological Baseline Studies were scheduled to begin October 1, 2007 and</b>	The data from the NJDEP Ecological Baseline Studies Draft Interim Report will not be completed or available prior to the due date of January, 2009.  The NJ Commerce Economic Study is expected to be released in February 2008.

	<p><b>finish in approximately two years, and a draft report of the Economic Assessment is scheduled for completion on November 15, 2007. Please indicate when or if the data and/or draft reports will be made available to bidders for consideration prior to the proposal due date of January 16, 2008</b></p>	
	<p><b>37. What types of “additional and ongoing data” will be required from the applicants to support the Ecological and Economic studies?</b></p>	<p>It is not known at this time exactly what “additional and ongoing data” will be needed from the successful applicant. However, it is the responsibility of the successful applicant to coordinate with the relevant NJDEP and NJ Commerce study teams and provide to these teams any information that can reasonably be provided. The applicants must conduct additional site-specific studies on their proposed locations for the pilot project. These studies must complement ongoing studies in order to provide specific data on the proposed locations and to address expected data needs for state and federal permits including the Minerals Management Service federal permit.</p>
	<p><b>38. What is the BPU’s expectation concerning revisions to the applicant proposals following the release of results from these studies? For instance, how many times must applicants update their proposals after January 16, 2008 in accordance with these studies?</b></p>	<p>Applicants’ proposals should be flexible enough to enable modification as discovery of relevant facts unfold.</p>
	<p><b>39. Section 1.3, Page 8, second paragraph and Section 3.2.3, Page 16, “Site Location and Description”: Please indicate how and when the BPU will define “unacceptable adverse impacts.” Potential projects would benefit greatly from a deadline by which the State would announce whether or not such impacts existed.</b></p>	<p>The State will decide if the construction and/or operation of the offshore wind project would have unacceptable adverse impacts on wildlife, ocean uses, ocean resources, or the environment, economy or tourism. The determination of impacts will be based on data, including the NJDEP Ecological Baseline studies, NJ Commerce’s Economic Assessment and the data/information from this award.</p>
	<p><b>40. Section 4.2.20, Page 26: The solicitation encourages applicants to minimize negative impacts to wildlife and habitat by taking into</b></p>	<p>The recommendations being referred to are those that will result from the Ecological Baseline studies and from the permitting process derived from the Minerals Management Service in the Department of the Interior.</p>

	<p>consideration  “recommendations” from State and Federal Agencies. Which “recommendations” are being referred to in this requirement?</p>	
<p>Nelson Garcez  PSE&amp;G</p>	<p>41. The “Blue Ribbon Panel” in its final report recommended that “the State facilitates the development of an offshore wind turbine test project not to exceed 350 MW or 80 turbines.” The Solicitation sets a limit of 350 MW but did not limit the number of turbines. Please confirm that there is no limit in the number of turbines.</p>	<p>There is no limit in the number of turbines proposed. Applications will be accepted proposing any size wind turbine and project capacity with an aggregate capacity not to exceed 350 MW.</p>
	<p>42. The Solicitation mentions in item <u>4.2 – Evaluation Criteria and Process</u>, that a detailed evaluation criteria weighting will be defined. To better understand the relevance of each of these criteria we kindly ask the Board to share with the participants the criteria at least 45 days in advance of the due date for the submission of the responses</p>	<p>See response to question 17 above.</p>
	<p>43. Will the awardees of this solicitation be granted exclusivity to discuss with the NJ-DEP the permitting for an offshore wind project in the coastal waters of New Jersey? And through what period?</p>	<p>See response to question 1 above.</p>
	<p>44. Can you clarify the tax treatment of the Grant, for New Jersey State and Federal income tax purposes?</p>	<p>See response to question 11 above.</p>
	<p>45. Section 2.2 Scope of Work, last paragraph – given that there are</p>	<p>Section 2.2 Scope of Work does not imply that proposed teams include a European based entity.</p>

	<p>no current US based firms with “ocean-based renewable energy plant operational experience,” does this imply that proposed teams must include a European based operational entity?</p>	
	<p><b>46. Section 2.2.1 Proposal Minimal Requirements – Can you define what is meant by a “material deficiency?” Can you give examples of material deficiency as opposed to a non-material deficiency?</b></p>	<p>Material deficiency – refers to a submission or proposal element that fails to adequately address or satisfy a requirement contained in the Solicitation document for this grant inasmuch as it either (i) deprives the State of the assurance that the applicant will perform the project as required or (ii) would place the applicant in a position of advantage over other applicants.</p>
	<p><b>47. Page 12, point 2, “Project Developers must demonstrate applicable experience in projects of the size and scope proposed;” and, point 3, “...include resumes of members on the team that have an identifiable track record in construction <u>and</u> operations of power plants of similar size and scope.” Given that no off-shore wind farm in the 350 MW range is currently in operation, would a proposal be downgraded should a developer propose a project of this size?</b></p>	<p>Project developers may demonstrate applicable on-shore wind or European experience similar in projects of the size and scope proposed in the solicitation.</p>
	<p><b>48. Page 18, Electric Interconnection – “Identify...upgrades to existing equipment required...” Given PJM study requirements and timelines, it is unlikely that most developers will be in the queue. Is it acceptable to have necessary upgrades identified by a third party consultant rather than the PJM / ACE?</b></p>	<p>While PJM and ACE identified upgrades are preferred, the OCE will accept supporting documentation from other sources as long as they are fully documented and clearly described.</p>
	<p><b>49. We applaud the initiative of the Board to move forward with this important component of the</b></p>	<p>See the response to Question #4 above.</p>

	<p>renewable energy solution for New Jersey and appreciate the level of detail that the staff has requested to assure that feasible and executable proposals are submitted. However, considering the amount of information that must be submitted, we respectfully suggest the Board to consider an extension of the response due date for a period of extra 90 days.</p>	
	<p><b>50. Given the challenging economics of offshore wind and the fact that current energy, capacity and REC markets are unlikely to support a project, would the Board consider any additional support, including possible modifications in the RPS scheme, beyond the \$19 million subsidy already identified?</b></p>	<p>The solicitation provides for a production incentive grant up to \$19 million of which 10% may be used for upfront design and permitting. It is the responsibility of the applicant to estimate and document all other sources of project revenue.</p>
	<p><b>51. I would like to request an extension of 60 days to the proposal due date of 1/16/08. The amount of work required for this effort is substantial and is well beyond the time given in the solicitation.</b></p>	<p>See the response to Question #4 above.</p>

<p>Daniel Cohen FISHERMEN'S ENERGY OF NEW JERSEY, LLC</p>	<p>52. The Blue Ribbon Report recommends a <i>“limited test project only not to exceed 350 megawatts”</i> but in other places the Blue Ribbon Report recommends <i>“350 MW or 80 turbines”</i>.</p> <ul style="list-style-type: none"> <li>a. Which is the limiting factor 350 MW or 80 turbines?</li> <li>b. Please provide a more precise definition of <i>“350 megawatts”</i>. Does this refer to nameplate capacity of the installed turbines, or to some other measure of capacity?</li> <li>c. Since, this is a ‘test project’ we assume the State will not accept proposals to build more than 80 turbines. Is this correct, no more than 80 turbines?</li> <li>d. Which is the limiting factor, 80 turbines or 350 MW?</li> <li>e. During the Q &amp; A period the BPU stated this is the only <i>Solicitation for Proposals</i> for offshore wind planned for New Jersey and that this <i>Solicitation for Proposals</i> follows the recommendations of the Blue Ribbon Panel Final Report. Please confirm in writing that this is the ‘test project’ planned in the Blue Ribbon Report</li> <li>f. We know the NJBPU and Governor’s office have been discussing having a <i>Solicitation for Proposals</i></li> </ul>	<ul style="list-style-type: none"> <li>a) Refer to response to question 41 above</li> <li>b) Refer to response to question 29 above</li> <li>c) Refer to response to question 41 above</li> <li>d) Limiting factor is the 350 MW capacity.</li> <li>e) The solicitation is in response to Recommendation 5 in the Blue Ribbon Panel Final Report, which calls for a ‘test project.</li> <li>f) The solicitation is for a “test” project and no other solicitation will be issued. Refer to the response to Question #24 above.</li> </ul>
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	<p>for capacity, which this test project addresses. At the Q &amp; A meeting the BPU stated there will not be a power purchase <i>Solicitation for Proposals</i> by the BPU or any of the load-serving entities that report to the BPU, for this project, please confirm in writing that there will not be another solicitation or RFP.</p>	
	<p>53. a. <b>The Blue Ribbon clearly states no additional wind projects should be allowed to be built off</b></p>	<p>a. Refer to response to question 1 above, the State has not established an official policy with regard to this issue. .</p>

	<p><b>New Jersey until the test project has been built and post construction impact studies conducted and the benefits vs. costs analyzed. The <i>Solicitation for Proposals</i> is not clear, though, that the State intends to adhere to this recommendation of the Blue Ribbon Report. Please clarify in writing that the State intends that no other offshore wind projects be built off New Jersey until the impact studies referred to in the Blue Panel Report and <i>Solicitation for Proposals</i>, including all studies that require a pilot wind offshore farm actually be in operation generating electricity and monitored for operational impacts, have been completed and fully analyzed by the state.</b></p> <p><b>b. How does the State of New Jersey intend to assure that no other offshore wind projects off of New Jersey are constructed until after the test pilot project has been built and 2 to 3 years post construction impact studies completed? (also see below questions)</b></p> <p><b>c. Whereas no offshore wind towers or farms have been built anywhere in the US at this time and since any (all) proposed developers would have to take significant risks to even initiate the permitting process, are we correct to assume the purpose of this <i>Solicitation for Proposals</i> is to identify the best 'team' for New Jersey to seek permits, construct, and operate a 'pilot' wind farm, giving this 'best team' the green light to be the</b></p>	<p>b. Refer to response to question 1 above</p> <p>c. Refer to responses to question 1 and 53a above.</p>
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	<p>developer of the 'pilot' wind farm. In other words, is it correct to say that the awarding of the 'grant' to the responder best addressing the issues raised in the <i>Solicitation for Proposals</i> will allow the 'team' so designated to proceed in the permitting process (1) with the reduced risk of knowing that the State of NJ is encouraging the project, and (2) that the State of NJ will not allow other offshore projects to be permitted or to begin construction until such time as this first pilot project, solicited by the NJ BPU, is operating and the impacts of its operation have been fully accessed and analyzed?</p>	
	<p>54. Please confirm in writing that the BPU intends to coordinate with PJM the coordination of this pilot project prior to other offshore projects being considered by PJM.</p>	<p>It is the responsibility of the winning bidder to coordinate with PJM. Applicants will need to follow the PJM permitting process. This process is not facilitated by the OCE. See response to question 12 above regarding PJM information.</p>
	<p>55.  a. Since this <i>Solicitation for Proposals</i> is for a 'test pilot' project which will need to be permitted by MMS and the USACOE (among others) will the State be coordinating with MMS and USACOE to place this 'test pilot' project at the head of the 'queue' for action by MMS and USACOE for projects off New Jersey?   b. The BPU can only coordinate with MMS and USACOE, will BPU use its relationship with the Governor's office and NJDEP to control applications by others (non awardees of the <i>Solicitation for Proposals</i> 'pilot'</p>	<p>a. The State does not intend to take a position with respect to the priority of projects pending before MMS.   b. Refer to response to question 1 above.</p>

	<p>project) so that the NJDEP Land Use office does not issue permits and does not allow construction to commence by other applicants for NJ landing and crossings until such time as the results of the post construction testing of the ‘pilot’ project has been completed and the analysis of impacts completed as called for in the Blue Ribbon Report?</p>	
	<p>56. The <i>Solicitation for Proposals</i> specifies up to 350 MW, but does not specify who will be the ‘buyer’ of the electricity. We assume that the bidder is free to negotiate with any prospective buyer of electricity. There does not seem to be requirement to provide the energy specifically to the BPU or to a BPU specified utility. Is that correct?</p>	<p>See response to Question 24 above.</p>
	<p>57. The \$19 million dollar ‘grant’ payable upon production of electricity is not a significant incentive or subsidy in relation to risk of permitting and to the cost of construction. Is this \$19M grant in the <i>Solicitation for Proposals</i> the only anticipated source of NJ incentives for the development of 350 MW of offshore wind? If there are additional grants or incentives planned, what are they and when will they be published?</p>	<p>See response to question 50 above. Also, additional incentives include Class 1 Renewable Energy Certificates (RECs), Production Tax Credits and any other federal incentives provided by law and each revenue source must be clearly accounted for in the applicant’s proposal.</p>
	<p>58. The <i>Solicitation for Proposals</i> states “A maximum of 10% of the total grant production credit may be requested under this <i>Solicitation for Proposals</i> to be paid in the form of an upfront, payment for design, engineering, and permitting costs.”</p> <p>a. If the responder is the successful responder to the</p>	<p>For responses to 58a. and 58b please refer to section 3.2.6 Project Economics and Associated Financial Statements, which addresses allowable upfront incentives to facilitate financing fees, interconnection costs, project design, permitting and/or construction costs.</p>

	<p><b><i>Solicitation for Proposals</i></b> and if the 10% is requested (\$1.9 Million Dollars) when would these funds be released to the responder?</p> <p>b. If the 10% upfront payment is requested by an applicant, please clarify exactly at what point in the development process these funds can start to be drawn – i.e., what pre-conditions or milestones (permits applied for, permits received, design or engineering work completed, etc.) must have been met before the money can be drawn?</p>	
	<p>59. Is the full \$19 million available to a project, regardless of size (i.e., will the grant be reduced proportionately for projects less than 350 MW)?</p>	<p>The \$19 million will be available to a project that meets the Scope of Work in the solicitation, regardless of whether the proposal reaches the full 350 MW maximum level.</p>
	<p>60. The January 16 deadline is relatively short, especially with the upcoming 'holiday season'. Is that date firm? Will the state consider extending the deadline by 30 days?</p>	<p>See the response to Question #4 above.</p>
	<p>61. The responders are directed to 'incorporate the results of the NJDEP Ecological Baseline Studies and NJ Commerce's Economic Assessment and to reflect the recommendations of Appendix 1 of the Blue Ribbon Panel's final report. Appendix 1 refers to "<i>baseline species and abundance information</i>".</p> <p>a) Is it the intention of the State that the Baseline studies will be used by MMS in its EIS?</p> <p>b) Will this test project, the subject of the <i>Solicitation for Proposals</i>, require an EIS or EA prior to</p>	<p>a. The information will be available to inform the MMS process.</p> <p>b. The MMS process is still evolving; proposed regulations are anticipated in December, 2008.</p>

	<p>construction? We interpret that the EIS will be the programmatic EIS of MMS and only an EA will be necessary for permitting for the project envisioned by the <i>Solicitation for Proposals</i>. Is this also the interpretation of the NJ BPU?</p> <p>c) We assume a complete EIS will be done by the successful responder post construction impact studies. We note Appendix I calls for site specific <i>“pre-construction studies should begin 1 year before construction begins, with appropriate surveying continuing through construction phase, and ending 2-3 years after the facility has achieved full operation”</i>. Do you agree an EIS will be needed at the end of the 2-3 year post operation study? If so, whose responsibility will it be to perform the EIS from the information developed, the NJ BPU / NJ DEP or should the responder include in its proposal the inclusion of a full post construction EIS?</p> <p>d) Are we correct to assume that the NJ Baseline Study is the ‘baseline’ for a programmatic EIS by others (either MMS, USACOE, or NJDEP)?</p> <p>e) Are we correct to assume that the responder does need to perform an EA but does not need to perform an EIS for the project permitting?</p> <p>f) Are we correct to assume the responder should be prepared to complete an EIS of the site specific preconstruction (1year)</p>	<p>.</p> <p>c. Reporting of post-construction monitoring data will be required at the developer's expense as specified in applicable permits.</p> <p>d. See response to Questions 61a and 61b above.</p> <p>e. See response to Questions 61a and 61b regarding federal requirements. Also see the NJDEP website at <a href="http://www.nj.gov/dep/opppc/permitcoor.htm">http://www.nj.gov/dep/opppc/permitcoor.htm</a> for further guidance.</p> <p>f. See responses to all subsection of question 61 herein.</p>
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	<p>and post construction testing (2-3 years) and comparing their cost benefit impacts?</p>	
	<p><b>62. Availability of information concerning Atlantic City Electric load pockets: The <i>Solicitation for Proposals</i> asks that a proposal help resolve transmission and load issues on ACE's grid. The BPU should have ACE provide ACE specifications, transmission, and load pocket issues to bidders in written format by November 15 for information for responders</b></p>	<p>Applicants should contact the Electric Distribution Company directly.</p>
	<p><b>63. Which company / institution is the lead for the NJ DEP Baseline Study? Who is their contact person for the Baseline Study? Are they aware of this <i>Solicitation for Proposals</i>? Are they prepared to meet with potential responders?</b></p>	<p>See solicitation page 4. The Division of Science, Research and Technology is the program in the Department of Environmental Protection taking the lead on the Ecological Baseline Study. You may visit their website at <a href="http://www.state.nj.us/dep/dsr">http://www.state.nj.us/dep/dsr</a></p> <p>See the NJDEP website at <a href="http://www.nj.gov/dep/opppc/permitcoor.htm">http://www.nj.gov/dep/opppc/permitcoor.htm</a> for further guidance.</p>
	<p><b>64. Which company / institution is the lead for the NJ DOC Economic Assessment study? Who is their contact person? Are they aware of this <i>Solicitation for Proposals</i>? Are they prepared to meet with potential responders?</b></p>	<p>See solicitation page 4. The Department of Commerce, Economic Growth and Tourism ("Commerce") is responsible for this study. The contact person at Commerce for this project is Catherine Scangarella New Jersey Commerce, Economic Growth &amp; Tourism Commission, P.O. Box 820, 20 W. State St. Trenton, NJ 08625-0820</p>
	<p><b>65. We understand the Mineral Management Service will be publishing in the Federal Register within the next 10 days, but after November 3.</b> <b>a. Has the BPU coordinated</b></p>	<p>a. No, the BPU has not coordinated this Solicitation with MMS. b. Although the State reserves the right to reopen the Q &amp; A period, we do not</p>

	<p><b>this <i>Solicitation for Proposals</i> with MMS</b></p> <p><b>b. If the Federal Register raises issues that conflict with the <i>Solicitation for Proposals</i> will the NJ BPU reopen the question period after publication of the <i>Solicitation for Proposals</i>?</b></p>	<p>know at this time if that will be done.</p>
	<p><b>66. How does one ensure that all items identified in the pending reports are included in the proposal if they have not yet been delivered? It appears that acknowledging commitment to incorporate the reports could potentially lead to changes in the project parameters that can adversely affect cost, production, timetables etc. Can you provide any further guidance on this matter?</b></p>	<p>See response to Question 38 above.</p>
	<p><b>67. If this happens due to no fault of the awardee (i.e. the State decides that Wind Power is not compatible off New Jersey due to information which becomes available to the State of New Jersey between now and the granting of permits for construction) can there be partial payment of the grant to reimburse the responder for work completed, prior to a change in NJ policy</b></p>	<p>No official state policy in this regard has been issued, however, the solicitation allows for up to 10% of upfront cost to be requested by the applicant and the additional 90% to be paid in the form of a production incentive after construction.</p>
	<p><b>68. What does the Board define as a shortfall?</b></p>	<p>As stated in section 3.5, "if a project consistently generates less than estimated in its proposal or current project award package.</p>
	<p><b>69. Which criteria are most important to the Board?</b></p>	<p>See response to Question #17 above.</p>
	<p><b>70. Section 1.1 states that environmental monitoring and natural resource collection should</b></p>	<p>See response to Question 1 above. Also, post construction impact studies and the specified period of time to monitor will be specified in the appropriate permits.</p>

	<p>be collected for an unspecified period of time. We believe the length of time and specification for environmental monitoring post construction are outlined in Appendix 1, which states <i>“appropriate surveying continuing through the construction phase, and ending 2-3 years after facility has achieved full operation.”</i> Are we correct that this is the specified period of time to conduct post construction impact studies?</p>	
	<p>71. Can an applicant specify more than one location they are considering for locating the ‘pilot’ wind farm? If so, how should the responder do this – by incorporating options in the response or by submitting more than one response?</p>	<p>See response to question 33 above.</p>
	<p>72. At the Q &amp; A session the BPU referred to the publicly available grant agreements between the BPU and ACUA (for the AC 5 turbine on land wind farm). Can the BPU make these documents available for review by responders?</p>	<p>See response to question 9 above.</p>
	<p>73. Are we correct to interpret in the <i>Solicitation for Proposals</i>, pages 1-13 up to Section 3.0 as background for information that should be included in the response, whose format for responding is outlined in Sections 3.0 to 3.28?</p>	<p>Yes, your understanding is correct. However, in your proposal submittal, applicants should take into account all portions of the Solicitation.</p>
	<p>74. Are we correct to interpret in the <i>Solicitation for Proposals</i> Sections 3.0 to 3.2.8 as listing the format and elements that must be in the submittal?</p>	<p>Yes, you are correct in your understanding that Section 3.0 to 3.2.8 of the Solicitation provides the format and elements that must be in the applicant’s proposal..</p>
	<p>75. Are we correct to interpret in the <i>Solicitation for Proposals</i></p>	<p>Section 3.3 to 5.0 of the Solicitation provides further information regarding the elements of the proposal, the evaluation process/criteria, contract award and</p>

	<p><b>Sections 3.3 to the end, 5.0, of the <i>Solicitation for Proposals</i> as additional background information? To the extent that some of the information requested in the various Sections is listed more than once in various portions of the <i>Solicitation for Proposals</i>, we assume we only need to provide the information once in our narrative response to the <i>Solicitation for Proposals</i> and not in duplicate, is that correct?</b></p>	<p>post-award requirements. If information is requested more than once, the applicant should only include the information once and reference all sections in the <i>Solicitation</i> where the information is requested.</p>
	<p><b>76. Is there a maximum permissible length (in pages) of the response to the <i>Solicitation for Proposals</i>? If so, what is the maximum length in pages?</b></p>	<p>Other than the cover sheet and abstract, there is no page limit for the other sections listed in 3.2. However, we encourage applicants to provide the responsive information as concise as possible to allow expeditious review of all the proposals by the evaluation team. This will also expedite the announcement of the award date.</p>
	<p><b>77. The <i>Solicitation for Proposals</i> contains the following language: “Indicate applicant’s plans for marketing energy... Include applicant’s consideration of marketing energy from the distributive renewable electricity generation to fulfill the Board’s RPS requirements...” What do you mean by “distributive renewable electricity generation”?</b></p>	<p>Distributive Renewable Electricity Generation” “DREG” means electricity that is generated by Class I renewable energy.</p>
	<p><b>78. Please clarify the exact subject and contents that is requested for the section of the grant-solicitation response entitled “3.2.5 Statement of Work”. Please clarify what is meant by “the primary contractual document that outlines work activities and required performance for payment and financing?”</b>  <b>a. Payment by whom for</b></p>	<p>Applicants are required to comply with Section 3.2.5 Statement of Work.</p> <ul style="list-style-type: none"> <li>a. Payment of the grant award by NJBPU or its agent.</li> <li>b. The EDA offers financing</li> <li>c. The applicant's Statement of Work will form the basis for the contractual agreement as to the work that will be required to be performed</li> </ul>

	<p><b>what?</b></p> <p><b>b. What financing, the state is not proposing financing?</b></p> <p><b>c. Please clarify this sentence</b></p> <p><b>d. Also this Section refers to Project Management Meetings – does this refer to meetings with the BPU for the ‘grant’ or internal meeting of the responder?</b></p> <p><b>e. We assume this refers to meetings with BPU to monitor the ‘pilot’ project. Are we correct?</b></p> <p><b>f. If this refers to meeting with BPU to monitor the project we assume this refers to meetings through out the term of the project, which we assume begins after award and continues to 5 years post when electricity commences to correspond to the production credit grants being offered and to encompass the time needed to conduct post construction impact studies and for the public and BPU to analyze the impacts. Are we correct?</b></p> <p><b>g. Also this Section refers to Reporting Requirements, we interpret the Reporting Requirements to also begin after award and continue to five year period post production of electricity commences. Is this correct?</b></p>	<p>d. See response to question 20 above.</p> <p>e. See response to question 20 above.</p> <p>f. See response to question 20 above.</p> <p>g. Yes, you are correct. The reporting requirements will also be outlined in the grant agreement</p>
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	<p><b>79. The Solicitation for Proposals states “Applicants must document their plan for adapting their proposals and construction activities based upon the results of the Ecological Baseline Studies and Economic Assessment to be in coordination with, or to supply additional and ongoing data and assessments.” How should we interpret this?</b></p> <p>a) <b>Should applicants plan to initiate their one year site specific preconstruction assessment after the completion of the Baseline Study?</b></p> <p>b) <b>Can the applicant initiate its site specific study even while the Baseline Study is ongoing?</b></p>	<p>a. Applicant should determine when to initiate their one year site specific preconstruction assessment.</p> <p>b. Yes, the applicant can initiate its site specific study even while the Baseline Study is ongoing.</p> <p>Also, see response to question 38 above.</p>
	<p><b>80. Please explain the current availability of SO2 (SOX) and NOX credit allowances for this project.</b></p>	<p>This information is the responsibility of the applicant. However you can go to the DEP air monitoring website to obtain guidance at <a href="http://www.state.nj.us/dep/airmon">www.state.nj.us/dep/airmon</a>.</p>