



## New Jersey Board of Public Utilities

### NEWS RELEASE

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## New Jersey Board of Public Utilities Adopts Offshore Wind Renewable Energy Certificate Rules

TRENTON, N.J. – Today, the New Jersey Board of Public Utilities (Board) unanimously approved new rules concerning the development of offshore wind projects. The Board established the Offshore Wind Renewable Energy Certificate (OREC) program, which will require, in part, that these projects demonstrate a positive net economic impact upon the State.

As a result of the Board's action, the new rules will take effect upon filing with the Office of Administrative Law (OAL).

The Board's approval of the OREC establishes the process developers must follow to obtain Board approval, and receive ORECs. The rules also require that, following the approval of a qualified offshore wind project, electricity sold to retail customers in New Jersey include, at least, the minimum percentage of OSW energy required for that energy year, as set by the Board. OREC obligations are a component of Class I renewable energy requirements.

“The Board's action is good news for renewable, in-state, electric generation,” said Board President Lee Solomon. “The Board will strive to ensure that any offshore wind proposal will have a positive net economic impact upon the State, and thereby improve and protect New Jersey's economic standing.”

The approved rules, found at N.J.A.C. 14:8-6, codify the new statutory requirements of the Offshore Wind Economic Development Act, which amended section 3 of P.L. 1999, c.23 (C:48:3-51). The Act mandates that the Board establish rules within 180 days Governor Chris Christie's signing of the Act. The rules were promulgated through a Special Adoption, and will take effect upon filing with the OAL, without public comment; they will remain in effect until 18 months from the date this special adoption is filed.

With these new rules, developers seeking to receive ORECs will be required to submit an application during a short application cycle, which the Board will establish at a future Board Agenda Meeting. This review process will enable the Board to evaluate applications simultaneously using consistent assumptions, models and evaluation criteria. It is hoped that this process will lead to better proposals, and a more efficient, effective regulatory process. Once an application is submitted, Board staff will certify the completeness of the application, at which time the 180 day period to review the substance of the application will commence.

Also, the rules require the submission of a substantial amount of information, including: A detailed description of the project, construction plans, financing methods and analysis; proposed OREC pricing methods; a cost-benefit analysis; and operations, maintenance and safety plans. The cost-benefit analysis must demonstrate positive economic and environmental net benefits to the State.

An applicant's cost-benefit analysis must provide three types of information:

1. An analysis of the potential impacts upon electricity rates of residential and industrial customers, over the life of the project.
2. Impacts on income, employment, wages, indirect business taxes, and output, with a particular emphasis on in-state manufacturing employment; and
3. Net environmental effects of the project.

Applicants must also demonstrate financial integrity and sufficient access to capital to allow for a reasonable expectation of project completion.

The new rules will be posted on the BPU's website at: <http://www.state.nj.us/bpu>

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**About the New Jersey Board of Public Utilities (NJBPU)**

*The NJBPU is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBPU include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBPU, visit our web site at [www.nj.gov/bpu](http://www.nj.gov/bpu).*