

Evaluation Committee Award Recommendation Report

Solicitation for Proposals to Develop Off-Shore Wind Renewable Energy Facilities Supplying Electricity to the Distribution System Serving New Jersey

I. Summary

The Evaluation Committee presents to the Board of Public Utilities (Board) in this report the results of its evaluation of the five applications submitted in response to the solicitation issued on October 5, 2007. Following a brief description of the solicitation and evaluation processes, the report presents the findings of the Committee and its recommendations. The Evaluation Committee finds the application submitted by Garden State Offshore Energy (GSOE) to be the proposal deemed most beneficial to the State according to the application materials submitted in relation to the criteria contained within the solicitation. The GSOE proposal scored the highest, using Board-approved selection criteria, price and other factors described in the solicitation considered. The Committee recommends the Board make a grant award in the amount of \$4 million to GSOE for its proposal to construct a 345.6 MW offshore wind facility.

II. Solicitation and Evaluation Process Description

The following section briefly describes the major milestones related to the grant award recommendation. A more complete timeline is contained in Appendix 1. On October 3, 2007, the Board of Public Utilities approved, during its regularly scheduled agenda meeting, issuance of a grant solicitation offering up to \$19 million for an offshore wind pilot project or projects serving New Jersey. On October, 5, 2007, the Board issued a "Solicitation for Proposals to Develop Off-shore Wind Renewable Energy Facilities Supplying Electricity to the Distribution System Serving New Jersey," seeking proposals to install as a pilot an aggregate capacity of up to 350 megawatts (MW) in offshore renewable wind electricity generating technology.

The solicitation announced dates for key events, including an optional question and answer (Q&A) session for potential applicants on October 26, 2007, an opportunity to submit written questions to the Office of Clean Energy (OCE) through November 3, 2007, with the posting of OCE's responses expected by November 15, 2007. Due to the number and extent of written questions, the Office of Clean Energy did not post responses to the questions until December 20, 2007. As a result, applicants were given an extension on the original deadline for submissions of January 16, 2008, and ultimately allowed to submit proposals by March 3, 2008.

Five grant proposals were received by the March 3, 2008 deadline. The composition of the Evaluation Committee and an evaluation methodology were presented to the Board in agenda meetings on March 14, 2008 and April 8, 2008 and finalized on May 8, 2008. A list of the Evaluation Committee members and a description of the evaluation methodology are contained in Appendix 2 and Appendix 3, respectively.

Proposals were opened by Office of Clean Energy staff and distributed to Evaluation Committee members on June 6, 2008. After reviewing the submissions, Evaluation Committee members convened to discuss their contents on June 25, July 16, and July 25, 2008. Evaluation Committee members sought the ability to ask clarifying questions of applicants in a face-to-face setting and the Board approved this request during the July 30, 2008 agenda meeting. On August 19, 2008, the Evaluation Committee met with each applicant team individually to discuss clarifying questions which had been submitted in writing to each applicant team during the previous week. No additional materials or documentation were accepted from applicants during these sessions. The Evaluation Committee convened a conference call on August 22, 2008, to follow up on the oral responses received to the clarifying questions posed to applicants earlier in the week and to finalize a schedule for completing the three step evaluation process approved by the Board.

The Evaluation Committee convened an in-person meeting after each voting member preliminarily evaluated the proposals on their technical merits. This meeting to discuss the preliminary evaluations of the technical criteria was held on the morning of September 8, 2008. Each member of the Committee completed, in confidence, a final "Point Score Evaluation Sheet" (Evaluation Sheet) for each proposal. The Committee facilitator from the Office of Clean Energy staff collected an Evaluation Sheet from each voting member and privately added the rankings across applicants to arrive at a total technical ranking for each applicant's submission. The results of the technical score rankings, which completed step 1 in the three step evaluation process, were not shared with Committee members until the completion of step 2.

Prior to the September 8, 2008 meeting, Office of Clean Energy staff, with assistance from the Board's Economist Office, extracted from each proposal "pricing" data relevant to solicitation criteria 4.2.6 and 4.2.7. Following the submission of the technical rankings by members to the committee facilitator, the Office of Clean Energy staff distributed the extracted data as well as a draft ranking of proposals based on this cost data to initiate step 2 of evaluation process. The Evaluation Committee discussed and revised the draft ranking to reach a consensus ranking of proposals based upon cost, as described in the solicitation's criteria 4.2.6 and 4.2.7. Committee members arrived at a cost ranking method which applies a weight of 75% to criteria 4.2.6 and 25% to criteria 4.2.7 due to the greater amount and importance of data concerning criteria 4.2.6. The finalization of a cost ranking completed step 2. To complete the evaluation process, in step 3 the results from the technical ranking of proposals were compared to the ranking of the cost evaluations to arrive at the final analysis and recommendation provided in Section III below.

III. Evaluation Committee Findings

The results of step one in the evaluation process, Technical Evaluation, are contained in Table 1 and a summary of the proposals' highlights and weaknesses set forth below. The Garden State Offshore Energy project received the greatest total score for the Technical Evaluation. Four out of five Evaluation Committee members found the GSOE proposal to be the strongest application. The scoring spread between the highest and second highest ranked proposals (190 points) was closer than the spread between the second and third highest scored application (855 points). The point score differential between the third and fourth highest ranked applications showed the greatest comparative drop in score consistent with the significant, relative difference in detail contained in the three most detailed proposals compared with the two less detailed applications.

Table 1. Technical Criteria Ranking Results

	GSOE	BW	FERN	Occidental	ETC
Member #1	800	740	670	200	135
Member #2	860	840	600	400	430
Member #3	850	790	540	130	145
Member #4	935	850	710	415	360
Member #5	785	820	665	140	100
Total	4230	4040	3185	1285	1170
Rank	1	2	3	4	5

Garden State Offshore Energy (GSOE)
 Bluewater Wind New Jersey Energy, LLC (BW)
 Fishermen's Energy of NJ, LLC (FERN)
 Occidental Development and Equities, LLC. (Occidental)
 Environmental Technologies, LLC. (ETC)

Table 2 Overall Evaluation of all Cost Criteria – Lowest score best

	GSOE		BW		FERN		Occidental		ETC	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Total	1.7		2.52		3.02		3.25		4.46	
Rank		1		2		3		4		5

Each of the three top ranked applicants submitted strong proposals including competent and experienced project teams that appear sensitive to the economic and environmental concerns expressed in the solicitation. Each stated a clear commitment to working with the New Jersey Department of Environmental Protection (NJDEP), to minimize any potential environmental impacts, as guided by the findings of the NJDEP Ocean/Wind Power Ecological Baseline study. Each provided documentation sufficient to garner confidence in project feasibility. However, there are significant differences in the proposals that the Evaluation Committee feels are reflected in the scores and justify an award to Garden State Offshore Energy. The Garden State Offshore Energy proposal to construct a significant portion of turbine foundation and the customized vessels necessary

to transport turbines promised the greatest economic development impact for the State of New Jersey. Additionally, GSOE's ability to provide capital finance for the project based upon merchant power sale was deemed a significant advantage over models offered by its two closest competitors. Garden State Offshore Energy's project revenue plan was considered the more viable strategy compared to the expressed need in Bluewater's proposal for a power purchase agreement with a New Jersey electric distribution company as a counterparty and the untested cooperative marketing proposed by Fishermen's Energy. Hence, the GSOE proposal to market electricity as a merchant plant showed the clearest consistency of any proposal with New Jersey's competitive structure for the generation of electricity.

Garden State Offshore Energy (GSOE)

Total Capital Cost	\$1,070,500,000
Total Capacity (MW)	345.6 MW
Total Energy Produced (MWh)	24,692,000 MWh
Amount of Funding Requested	\$4,000,000

The Garden State Offshore Energy proposal is a joint venture, limited liability corporation co-sponsored by PSEG Renewable Generation, LLC, a wholly owned subsidiary of PSEG Global and Winergy Power Holdings, LLC. The technical merit of the GSOE proposal exceeded that of its peer proposals by:

- addressing potential environmental and ecological impacts most fully,
- proposing new technological approaches to foundation design and construction as well as innovative contracting mechanisms which promise significant cost reductions,
- providing the most fiscally feasible financial plan with respect to attracting the necessary debt and equity investors and requiring the least amount of ratepayer assistance (among the fiscally feasible applications), and
- supplying a more detailed solution to the availability of heavy lift vessels.

GSOE offers a merchant project; GSOE would construct and operate the wind farm and market forces would determine profits or losses. Costs of non-performance would fall to shareholders, not ratepayers with the minor exception of the 10% of total grant funds offered as an upfront payment under this solicitation. And as stated in the solicitation, "Contract provisions between the Board and the successful applicant(s) resulting from the award of Clean Energy Program funds under this solicitation will stipulate that in the case of a breach or default on the part of the successful applicant(s), any data or project designs prepared prior to any breach or default shall be provided to the Board for use as it determines."

GSOE is well capitalized as a joint venture involving Public Service Enterprise Group, Inc. Because the parent corporation of PSEG Global, Public Service Enterprise Group, Inc. (PSEG) has investment grade credit ratings, and the parent investors collectively command \$70 billion in assets, it appears that the ability to finance the project would not be a major concern. GSOE provided the most complete financial modeling of any applicant.

By proposing a wind farm with a geographic center at 21 statute miles offshore and its closest point located 16 miles offshore, the greatest distances proposed by any applicant, potential environmental and economic impacts are anticipated to be reduced. The GSOE proposal provides more opportunity for NJ based manufacturing and workforce than any other proposal. GSOE’s proposal provides a lot of detail on the economic benefit of the project in terms of jobs during the construction phases. GSOE notes, in detail, that the site was selected to minimize the economic impact to the tourism community. GSOE provides details of the impact to NJ’s cultural resources, visual resources, economic impact and benefits. The proposal successfully references the importance of education in the public participation program to decrease the potential impact of the wind park with a key strength at public engagement through a community steering committee.

The proposal did as good a job of addressing grid interconnection issues as any of the proposals with each requiring some additional study. The GSOE proposal also outlines in detail that there will be direct and indirect impacts during the phases of construction, and will conduct field surveys to minimize impact. The proposal noted that GSOE would work closely with appropriate State agencies to examine the impacts to the State, regional and local tourism industries, fishing and other economic interests, and the New Jersey Department of Environmental Protection relating to any potential environmental issues.

While the proposal notes that GSOE is committed to providing resources toward studies, more detail on those potential studies was not included in the proposal. Other potential areas of weakness or sources of risk in the proposal include the foundation design using “jacketed structures” not fully proven for wind. The GSOE proposal may have also overestimated the wind resource in its vertical extrapolations of wind resource assessments currently in the public domain. Despite the common use of the foundation design for offshore oil and gas platforms, they have been used in only one other offshore wind project to date and will require customized installation vessels to be built. The proposed multi-contract procurement process may be riskier than that of Bluewater, with Winergy and the PSEG entities having no direct offshore wind construction experience. However, these weaknesses were judged not to significantly diminish the feasibility or financial viability of the project.

Bluewater Wind (Bluewater)

Total Capital Cost	at least \$1,400,000,000
Total Capacity (MW)	348 MW
Total Energy produced (MWh)	23,675,000 MWh
Amount of Funding Requested	\$19,000,000

Bluewater Wind New Jersey (Bluewater), a limited liability corporation, has submitted a proposal titled “Bluewater New Jersey Offshore Wind Park.” Bluewater is a subsidiary of Babcock & Brown, “an international investment and asset management group...with over \$50 billion in assets under management...” Bluewater Wind submitted a strong proposal including a very experienced project team. Bluewater has the most experienced team and as a company has advanced the furthest in the development of a US offshore

wind project of any of the bidders. This strength of experience is due to the ongoing project in Delaware as well as the selection of several key partners such as Vestas, Flour, and Ramboll.

Bluewater's project is proposed at a distance that is not expected to have great visual or economic impact and the proposal contained good detail on the required public participation plan. The proposal to contract with Vestas wind turbine supplier to operate and maintain turbines for the first 5 years is attractive. The use of traditional monopole foundation designs was looked at favorably but also with caution due to the relatively untested water depths proposed. The project's request for all incentives to be production based with no funds expected upfront was also viewed positively. The fact that Bluewater has been selected by the State of Delaware for a 200 MW offshore wind energy project was seen generally as a positive but did provide concern about their ability to manage such large projects in roughly the same time frame. The proposal did a good job of addressing grid interconnection issues.

The Bluewater proposal was very detailed in terms of outlining the potential impacts to the fishing industry, the economy and to the tourism industry. They forecast tourism economic benefits from the installation of off-shore wind turbines and discuss the potential employment impact of the project, noting they foresee a decrease in the unemployment rate during the construction phase. The proposal included plans to adjust, if necessary, pursuant to the study, technical and other characteristics of the project to maximize the economic benefit of the wind park.

The Bluewater proposal outlines details of how they are currently working with Rutgers University Economic Advisory Service to estimate the total economic impacts. The proposal addresses the economic impact of both installation and construction as well as annual economic impact of the maintenance operations. The financial forecasts provide preliminary estimates suggesting additional income, output, Gross State Product and taxes for the State.

Bluewater has stated that it would require a Power Purchase Agreement (PPA) specifying the price, terms and conditions for the sale of the output in order to finance the project. A PPA, as proposed by Bluewater to require NJ regulated electric distribution company as counterparty, would put ratepayers at risk as their required payments in effect provide security for the financing. The PPA would involve extensive negotiation with a buyer as well as approval by the regulatory commission. Costs of non-performance and price risk associated with the sale of the output would be shared by ratepayers under a PPA.

The greatest deficiency seen in the Bluewater project was the need and expectation of a long term PPA with a New Jersey regulated utility that had yet to defined or finalized. The applicant indicated that the State of NJ should have a policy to encourage investor owned utilities (IOU's) to sign long term PPAs to purchase offshore wind power. This reliance on a contingent, not fully negotiated, contract with a State regulated entity as a counterparty was seen as inconsistent with the intent of the solicitation. The reliance on a

PPA was used as justification by the applicant for not providing a full accounting or forecast of project finances.

The proposed project locations are in waters that are deeper than any other project to date using a monopile foundation design. The Bluewater proposal also requires significantly more ocean area at 40 square miles than any other applicant. The Committee viewed this turbine spacing as a potential positive in terms of energy capture and array service and reliability but the proposal did not explain the need clearly.

With regard to the visual impacts of off-shore wind turbines, Bluewater Wind’s proposal stresses the importance of a public participation program to decrease the potential impact of the wind park. While they note that there was a positive economic impact based on their Rutgers University study, there was a lack of specifics on the impact to the tourism community during the phases of construction. Post construction, the proposal notes that the applicant forecasts visitation for the turbine park as providing a benefit, but again did not specifically estimate any potential gains or losses to the tourism community.

Fishermen’s Energy of NJ, LLC (FERN)

Total Capital Cost	approximately \$1,500,000,000
Total Capacity (MW)	350 MW
Total Energy produced (MWh)	Phase I – anticipated 60,820 MWh; Phase II – anticipated 913,132 MWh
Amount of Funding Requested	\$19,000,000

The Fishermen’s Energy of NJ, LLC (FERN), is an “offshore wind-energy development company formed by principals of companies that comprise the major participants in the commercial fishing industry of New Jersey.” FERN submitted a strong proposal including a competent project team. In fact, the FERN project team has tremendous knowledge of the local seas and insight into potential impacts to local fisheries. The project team purports to have the support of local fishermen which would be a key strength for any offshore wind project. However, the project team lacks experience with offshore wind turbine construction, operation and decommissioning and has little large scale energy project experience. And the turbine proposed for phase I from Clipper has yet to be maritized for offshore operation.

The proposal contains several innovative approaches to marketing the power expected from the project, including the establishment of a cooperative venture. The potential for tax advantages, lower cost of capital finance, and local support for the State’s first offshore wind projects from these innovations are attractive. Their phased approach to project development was seen to have favorable aspects as viewed by the Committee but could result in increased costs via the requirement for multiple mobilizations at different times, in different areas with different equipment requirements, and no project integration or sharing of infrastructure between the two phases.

FERN, like GSOE, is proposed as a merchant project and its success or failure would be determined in the market; ratepayers would not be at risk with the minor exception of the

10% of total grant funds offered as an upfront payment under this solicitation. FERN proposes to form a Rural Electric Cooperative in order to minimize financing costs and hired experts to assist in implementing the approach. Given the uniqueness of this approach, FERN provided alternative financing schemes in the event the cooperative approach cannot be implemented. The reliance on the development of a cooperative to finance this type of venture was viewed by the Evaluation Committee as risky. And the project's eligibility for Federal Production Tax Credits as a cooperative venture has not been fully tested with the Internal Revenue Service.

The FERN proposal noted the potential impacts that could occur with regard to recreation, socioeconomics, visual/aesthetics, etc., during the pre-construction, construction and post-construction stages. The project team anticipates the impacts during these periods to be negligible. However, the proposal makes broad statements about the impact during the various stages, but did not address the basis of those assumptions. The applicant makes statements about the "New Jersey Shore Opinion Study About Off-Shore Wind Turbines" but there was no discussion about coordinating with the NJ Commerce Economic Assessment or treatment of how they intend to adapt their proposal to the results of the studies and relevant areas of concern: tourism, property values, fisheries.

The proposal's first phase is located three miles off the coast of Atlantic City within State waters, within distances identified by the NJ Offshore Opinion study as having the greatest potentially negative impacts including environmental and economic effects, on fisheries, tourism, and property values. The proposal gives little acknowledgment of the need to coordinate their location decisions with the results of the NJ Commerce study as directed by the solicitation.

The turbines proposed in both phases are in the early stages of commercial development and have not been fully proven for operation at sea. The turbines proposed for the first phase have not been tested at all in a marine environment.

Environmental Technologies, LLC (ETC)

Total Capital Cost	Not Provided
Total Capacity (MW)	337.5 MW
Total Energy produced (MWh)	25,000,000 MWh
Amount of Funding Requested	\$0

Environmental Technologies, LLC (ETC) is a limited liability corporation that has proposed partnering with Clough Harbour & Associates to construct and install the world's first utility scale, vertical axis wind turbine in a marine environment. ETC's proposal sought to "raise public awareness of its vertical axis wind turbine technology" which its authors believe "will become the new world standard for wind turbines." The technology is purported to vary generation rates "to operate within a much greater wind speed window..." with theoretically less "noise" and avian impacts "...than conventional 'propeller-type' turbines." While little detail is provided about potential locations, the proximity to or requirement for onshore locations causes concern about environmental and economic impacts.

The ETC proposal is based on a technology never before field tested at the scale proposed in either terrestrial or offshore environments. Therefore, the production estimates provided, which were the highest of any proposal, are purely theoretical. No development, construction, operation, maintenance or decommissioning costs were presented. Even though the project requested no incentives, the lack of cost data restricted the Committee’s ability to evaluate the proposal in terms of “cost realism” on a comparative basis. The ETC proposal is also lacking data regarding:

1. costs and locations for interconnection to the grid,
2. qualifications of the project team,
3. commitments by other project partners and financiers,
4. commitments by equipment suppliers,
5. the project revenue and power marketing plans, and
6. plans for coordination with ecological, economic baseline studies and the required public participation plan.

The proposal did not address economic impact. ETC made broad assumptions about the impacts of off-shore wind turbines, but did not address the basis of those assumptions. The proposal discussed visibility at a minimal level, but did not address the implications to this project in terms of an economic impact study. The ETC proposal had multiple and substantial technical and financial weaknesses that the Committee felt would make the project unfeasible.

Occidental Development & Equities, LLC (Occidental)

Total Capital Cost	██████████
Total Capacity (MW)	160 MW
Total Energy produced (MWh)	██████████ MWh
Amount of Funding Requested	\$19,000,000

Occidental Development & Equities, LLC is a limited liability corporation that proposes partnering with several organizations with the team composition to be finalized after award. The Occidental proposal suggests the use of commercially available, field tested and operational equipment with Vestas 2 MW turbines. However, the Occidental proposal lacked development, construction, operation and maintenance or decommissioning cost details. The lack of cost data restricted the Committee’s ability to evaluate the proposal on a comparative basis. The capacity of the project proposed is significantly less than the 350 MW sought in the solicitation and together with the lack of cost detail raises questions about the project’s total capital cost. The Occidental proposal is also lacking data regarding:

1. costs and locations for interconnection to the grid,
2. qualifications of the project team,
3. commitments by other project partners and financiers,
4. commitments by equipment suppliers,
5. the project revenue and power marketing plans, and

6. plans for coordination with ecological, economic baseline studies and the required public participation plan.

The Occidental proposal had multiple and substantial technical and financial weaknesses that the Committee felt would make the project unfeasible.

IV. Grant Award Recommendation

The Evaluation Committee finds the application submitted by Garden State Offshore Energy to be the proposal deemed most beneficial to the State according to the application materials submitted in relation to the criteria contained within the solicitation and recommends a full grant award requested in the amount of \$4 million for the project.

Appendix 1 - Grant Process Milestones

Solicitation Issued	10/05/07
Optional Q&A Session with OCE for potential applicants	10/26/07
Written questions from applicants due to the OCE	11/03/07
Originally scheduled date for OCE to post responses	11/15/07
OCE releases responses to applicant written questions	12/20/07
Announcement posted re: proposal due date extended to 3/3/08	01/02/08
Originally scheduled due date for proposals from applicants	01/16/08
Extended deadline for application submission	03/03/08
Board in Executive Session, 1) approved recommended members to the Evaluation Committee, 2) directed staff to add members, and a draft evaluation methodology	03/14/08
Originally scheduled date for completed evaluations and award	03/31/08
Board approved Evaluation Committee composition and conditionally approved the evaluation methodology	04/08/08
Board approved the evaluation methodology	05/08/08
OCE staff opened five submissions in response to the solicitation, distributed copies among the Evaluation Committee members, and made public copies available.	06/06/08
Evaluation Committee convened three conference calls 06/25, 07/16, and 07/25/2008	
Board approved 1) adjusting the evaluation committee makeup to account for one committee member's illness, 2) adding an applicant/evaluation committee interview to the evaluation process, and 3) extending the deadline for Evaluation Committee report to 10/02/08	07/30/08
Applicant/Evaluation Committee meeting to discuss Committee's clarifying questions	08/19/08
Evaluation Committee convened via conference call and in person meeting; 08/22 and 09/08/08,	
Evaluation Committee report to be considered by the Board	10/03/08

Appendix 2 – Evaluation Committee and Methodology

Voting Members:

Office of Clean Energy
New Jersey Board of Public Utilities
Evaluation Committee Chair

Policy Advisor
Governor's Office

Research Scientist
New Jersey Department of Environmental Protection

Marketing and Communications
NJ Commerce Commission

Principal Engineer
National Renewable Energy Laboratory

Non-voting Members:

Administrative Analyst
New Jersey Board of Public Utilities
Evaluation Committee Facilitator

Oceanographer,
Minerals Management Service

Administrative Analyst
Energy Division
New Jersey Board of Public Utilities

Office of the Economist
New Jersey Board of Public Utilities

NJCEP Program Coordinator
Applied Energy Group Inc.

Appendix 3 – Board Approved Evaluation Methodology

Offshore Wind Proposal Evaluation Methodology

This document describes the three step process for the evaluation of proposals submitted in response to the Board of Public Utilities’ “Solicitation for Proposals to Develop Off-Shore Wind Renewable Energy Facilities Supplying Electricity to the Distribution System Serving New Jersey” (“solicitation”) issued October 5, 2007.

Step One – Technical Evaluation

Each voting member of the Committee will preliminarily evaluate the proposals. A “Solicitation Criteria Worksheet” (“Worksheet”) has been developed by the Committee to serve as a tool to assist voting members in evaluating the proposals. Each voting member of the Committee will preliminarily complete a “Point Score Evaluation Sheet” (“Evaluation Sheet”) for each proposal.

The voting members will meet to discuss their preliminary evaluations. The meeting will serve as an opportunity for members to share any clarifying information and to be sure that they have not overlooked information in the proposals, and is not intended to serve as an opportunity for members to try to change the evaluation of other members.

After the meeting has been held, each voting member of the Committee will complete, in confidence, a final Evaluation Sheet for each proposal. Each voting member will submit, in confidence, one Evaluation Sheet for each proposal to the Office of Clean Energy (“OCE”).

The Evaluation Sheets will be kept private until Step Three described below. The OCE will assemble the five Evaluation Sheets from each of the six voting members of Committee. The OCE will total the results from the six Evaluation Sheets per proposal to arrive at a total score for each proposal.

Solicitation Criteria Worksheet

This worksheet, developed by the Evaluation Committee, is a tool for voting member use in scoring evaluation criteria 1 - 5 listed on the "Point Score Evaluation Sheet." This tool links, "ties out" to, or references the evaluation criteria contained in the solicitation.

Step 1 Technical Evaluation

Crit: 1	4.2.1	The applicant's general approach and plans to meet the requirements of the solicitation.	
Crit: 2	4.2.2	The applicant's detailed approach and plans to perform the services required by the scope of work of this solicitation.	
Crit: 3	4.2.3	The applicant's documented experience in successfully completing contracts of a similar size and scope to those required by this solicitation.	
Crit: 4	4.2.4	The qualifications and experience of personnel assigned by the applicant to the contract with emphasis on documented experience in successfully completing required services of a similar size and scope to those required by this solicitation.	
Crit: 5	4.2.5	The overall ability of the applicant, to gear-up, undertake and successfully complete the contract within the required schedule or on time.	
Crit: 2	4.2.8	The location of the proposed facility in relation to transmission and distribution constraints in the ACE distribution system.	
Crit: 2	4.2.9	The appropriateness of the proposed location of the renewable energy project, including siting and permitting issues.	
Crit: 2	4.2.10	The coordination of the proposal with the NJDEP Ecological Baseline Studies and NJ Commerce Economic Assessment.	
Crit: 2	4.2.11	The overall mix of technologies and the projects ability to assist in meeting the goals of market transformation for emerging technologies.	
Crit: 2	4.2.12	The environmental attributes of the proposed technology.	
Crit: 5	4.2.13	The timeframe for construction/startup of the project.	
Crit: 5	4.2.14	Project feasibility.	
Crit: 5	4.2.15	Financing qualifications.	
Crit: 5	4.2.16	Applicants seeking financial assistance through NJEDA will be required to fill out the NJEDA application. This will be submitted to NJEDA after the Board's approval of the applicant's response to this solicitation.	
Crit: 2	4.2.17	Verified performance of the technology.	
See 4.2.22	4.2.18	Whether or not the technology was substantially manufactured in New Jersey.	
Crit: 5	4.2.19	Commitments or letters of intent and term sheets from potential lenders outlining the terms of any financing package, including tax-exempt bond financing if possible.	
Crit: 2	4.2.20	Whether or not the project has taken steps to minimize negative impacts on habitat and wildlife and has taken into consideration the recommendations, in this regard, of State and Federal agencies (e.g., NJDEP, the U.S. Fish and Wildlife Service, National Marine Fisheries Service).	
Crit: 2	4.2.21	Amount of clean energy being generated over the term of the grant/life of the turbines.	
Crit: 2	4.2.22	The extent to which the technology and project will be manufactured in New Jersey and constructed by New Jersey-based businesses.	

Step 2 Cost Evaluation

Cost Comparison Criteria	4.2.6	The cost of the project, taking into account both the applicant's cost per kW, overall generation, operations and maintenance costs and the environmental impacts of the project associated with the proposed technology.	
Cost Comparison Criteria	4.2.7	The amount of funding requested as a percentage of the total project cost.	

POINT SCORE EVALUATION SHEET

Project: Name to be assigned by OCE from the proposal	Solicitation: Solicitation For Proposals to Develop Off-Shore Wind Renewable Energy Facilities Supplying Electricity to the Distribution System Serving New Jersey
Respondent Name:	Date:
EVALUATOR:	Signature:

<p>SCORING LEGEND</p> <p>1 - 10, Low - High</p>

Crit. #	EVALUATION CRITERIA	SCORE X WEIGHT =SUBTOTAL		
		SCORE	WEIGHT	SUBTOTAL
1	The respondents general approach and plans to meet the requirements of the solicitation.		5	
2	The respondent's detailed approach and plans to perform and coordinate the services required by the solicitation.		30	
3	The respondent's documented experience in completing projects of a similar size and scope and ability to adapt to program-related changes.		20	
4	Qualifications and experience of personnel to be assigned by the respondent to the project, with emphasis on documented experience in successfully completing work on projects of similar size and scope.		15	
5	The overall ability of the respondent to begin, finance, and successfully complete the project within the proposed schedule.		30	
TOTAL SCORE			100	

NOTE:
 Each score must be a whole number. Decimals and fractions are not permissible.
 Score should reflect the extent to which grant proposal meets solicitation criteria - see "Worksheet"

Technical Evaluations will be summed for each voting member, and summed among all voting members with the total aggregate score for each proposal compared to the Cost Score rankings described in Steps Two and Three.

Step Two - Cost Evaluation

OCE will extract the pricing information, relevant to criteria 4.2.6 and 4.2.7 in the solicitation, from each proposal and provide it to the Evaluation Committee. The Evaluation Committee will rank the cost evaluation of the proposals in ascending order, starting with the proposal with the lowest cost evaluation (i.e. best cost evaluation) to the proposal with the highest cost evaluation.

Step Three – Award Recommendation

A ranking of proposals based upon the technical criteria from the total score aggregated from each voting member's "Point Score Evaluation Sheet" (Step One) is compared to the ranking of proposals based upon the Cost Evaluation (Step Two) to enable a final analysis and recommendation. If the Technical Evaluation and Cost Evaluation result in different rankings, then the Evaluation Committee will work together to provide a recommendation based on the best proposal to the State, price and other factors considered. As discussed by the Board, if the State's share of the cost of the best technical proposal is fair and reasonable, that proposal may be deemed the best proposal to the State even if its cost is not the lowest, provided the proposal is the best proposal for NJ considering all of the other factors. The Committee's recommendation will be fully explained in the final Grant Award Recommendation made to the Board. If a consensus recommendation is not achieved, any dissenting opinions will be recorded for documentation within the final Grant Award Recommendation made to the Board.

Potential Outcomes

If the project with the highest technical score is also the lowest cost, it would be very difficult for the team to justify not recommending this project. If a project ranks highest based on the technical score but not lowest in cost, an analysis by the team needs to take in various factors including the magnitude in difference in the technical score and the price. In this case, the team could recommend the project with the higher cost based on a superior technical analysis.

For example, if two projects had a very similar technical score such as 77 vs. 76 points, but the project with a higher technical score had a much higher cost, the team could recommend the project with the lower technical score since on a technical basis they ranked almost the same.

At the other end of the spectrum, if a project had a significantly higher technical score than a project with a lower cost, the team may recommend the higher cost project if the evaluation team concludes that the highest cost project is best for the State because it has the highest likelihood of being built and becoming operational.

In short, the team will need to justify its recommendation based on cost and technical score, but is not bound to selection of either the highest technical score or lowest cost. The award recommendation will be based upon an analysis of the relative technical rankings and cost.