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Sherri L. Golden, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, NJ 08625-0350

February 24, 2025

**RE: IN THE MATTER OF NEW JERSEY'S SECOND AND FOURTH SOLICITATIONS FOR OFFSHORE
WIND RENEWABLE ENERGY CERTIFICATES (ORECs)
ATLANTIC SHORES OFFSHORE WIND 1 PROJECT
DOCKET NOS. QO21050824 AND QO24020109**

Dear Madam Secretary:

On June 30, 2021 the Board awarded a contract in the Second Solicitation for ORECs for 1510 MW of capacity to Atlantic Shores Offshore Wind Project 1 LLC (AS1)¹. The project is a Joint Venture between Shell PLC and EDF Renewables, each of which holds a 50% financial interest in the project.

Under the 2021 order, AS1 is eligible to receive payment for ORECs produced at a levelized price of \$106/MWH. Because this level of subsidized ratepayer support is insufficient to allow the developer to meet its internal investment targets, the Board allowed AS1 to re-bid its contract in the Fourth Solicitation at a higher OREC price including an inflation adjustment which could increase the base OREC price by up to 15%.

In response, on July 10, 2024 AS1 submitted a Re-Bid proposal in the Fourth Solicitation to replace the 2021 contract. On January 30, 2025 Shell PLC announced it was withdrawing its support of the project², whereupon, on February 3, 2025, the Board announced that no awards would be made in the Fourth Solicitation³. EDF then announced a write off of its investment in Atlantic Shores on February 21, 2025⁴.

Although not acknowledged in the Board's February 3rd announcement, the fact that this re-bid was denied is a clear indication that the proposed and rejected OREC re-bid price was significantly higher even than awards made in the Third Solicitation which could reach \$190/MWH⁵. That the project sought, and was denied, an almost 80% increase in its agreed upon 2021 contract price is overwhelming evidence that AS1 cannot and will not proceed with the project under the terms it has previously agreed to in the Second Solicitation.

¹ Order dated June 30, 2021, Docket QO21050824.

² Shell Announcement by CFO Sinead O'Gorman, January 30, 2025.

³ NJ BPU Statement on New Jersey's Fourth Offshore Wind Solicitation, February 3, 2025.

⁴ EDF announcement by CEO Luc Remont February 21, 2025.

⁵ Attentive Two Wind project levelized OREC price is \$165/MWH and \$190/MWH with a 15% inflation adjustment.

As a result, the AS1 project is no longer economically viable and cannot comply with the terms of the 2021 Order. Specifically:

- At the time of the award the Board found that AS1 could “Demonstrate financial integrity and sufficient access to capital to allow for a reasonable expectation of completion of construction of the project.”⁶ Given the withdrawal of the support of Shell and EDF, AS1 no longer has the required financial integrity required to be eligible for the award.
- AS1 has guaranteed 100% of the \$848 million of direct expenditures and a total of 1760 Full Time Equivalent (FTE) job-years of employment over the term of the contract⁷. With the withdrawal of its owners’ financial support, AS1 is in no position to meet its obligations to fulfill these guarantees.
- The order requires AS1 to achieve a Commercial Operation Date (COD) of September 2027 for Phase 1A (761.6 MW) of the project and by April 2028 for Phase 1B (748 MW). The contract allows a Permissible Delay in these dates of up to, but no longer than, 6 months⁸. Given the fact that the project has not even reached a Final Investment Decision (FID) which is required to secure financing, and has not yet commenced construction, achieving the required COD dates, even with a 6 month allowable delay, is not remotely possible. Only 3 years remain until the delayed Phase 1A deadline and the construction period will extend well beyond this time, even under the most optimistic conditions.
- Regarding the proposed transmission interconnection plan, the Board noted that AS1 “has identified and described a landfall location and route to Cardiff that can be accessed primarily by existing transportation right-of-way”. The approval of the planned cable route through Atlantic City was recently revoked by the city Council⁹, resulting in denial of the planned route between landfall and the Cardiff substation. Therefore, AS1 has no viable interconnection plan to deliver its power into the grid which is required for the award.

As a result, we the undersigned, representing 60 NJ municipalities, county officials and citizen groups, call upon the Board to vacate the June 30, 2021 Order awarding ORECs to the AS1 project and to formally cancel the Fourth Solicitation. Such actions will remove any uncertainty regarding their impact on electric rates as well as the potential negative effect of the project on state tourism and fishing industries and property values along the shore.

These actions will also allow the Board and its staff to focus on more realistic ways to ensure NJ ratepayers have access to affordable, reliable generation sources to meet the growing demand for electricity in the state.

Sincerely,



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Mike Dean
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⁶ June 30, 2021 Order P10.

⁷ June 30, 2021 Order P21.

⁸ June 30, 2021 Order P34.

⁹ AC Council repeal of Ordinance 74 granting AS1 right of way for cables through the city, February 6, 2025.

Coalition Signatories:

Atlantic County				
Commissioners	Clark	Kenilworth	North Arlington	Stafford Twp
AC Councilman	Defend Our Beaches NJ	Keyport	North Hanover	Stop High Risk Cables
Barnegat Twp	Downe Twp	Lavalette	Pemberton	Surf City
Barnegat Light	Elk Twp	LBT10 Taxpayers	Plumsted	Totowa
Bay Head	Florence	Little Egg Harbor	Protect Our Coast-LINY	Ventnor
Beach Haven	Florham Park	Long Beach Twp	Point Pleasant Boro	Wall Twp
Beachwood	Hainesport	Mahwah	Raritan Twp	Wallington
Berkeley Twp	Harvey Cedars	Manasquan	Save the East Coast	Washington Twp
Brick Twp	Hawthorne	Mantoloking	Sea Girt	West Amwell Twp
Brielle	Holmdel	Margate	Seaside Heights	Wildwood Crest
Brigantine	Howell	Millville	Seaside Park	Wrightstown
Buena Borough	Jackson	Montague	Ship Bottom	Wyckoff

Signatures:



Walter G. LaCicero, Mayor
Borough of Lavallette





John A. Peterson, Jr, Mayor
Seaside Park NJ



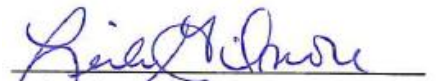

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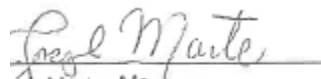
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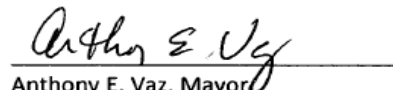



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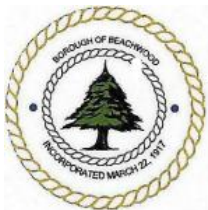

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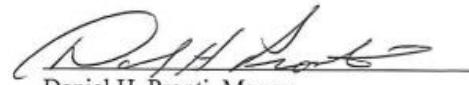



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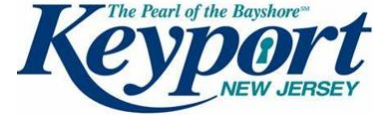
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On behalf of the Washington Township Committee



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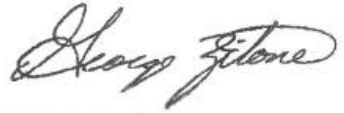



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