

2021 State Agreement Approach (SAA) Proposal Window to Support New Jersey Offshore Wind

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 In 2020, PJM performed transmission reliability study for the BPU for 7,500 MW of offshore wind to assist them with the selection of set of default POIs

 In November 2020, the BPU notified PJM of an Offshore Wind Transmission Order specifying its public policy requirements for interconnecting up to 7500 MW of offshore wind

 Per the order, PJM is opening a competitive proposal window in solicit onshore and offshore transmission project proposals that address New Jersey's public policy needs through 2035 for offshore wind capacity procured following the completion of Solicitation No. 2



Overview of OSW Generation Solicitations

Solicitation	Capacity Target (MW)	Issue Date	Submittal Date	Award Date	Estimated Commercial Operation Date
1	1,100*	Q3 2018	Q4 2018	Q2 2019	2024
2	1,200**	Q3 2020	Q4 2020	Q2 2021	2027
3	1,200	Q3 2022	Q4 2022	Q2 2023	2029
4	1,200	Q2 2024	Q3 2024	Q1 2025	2031
5	1,400	Q2 2026	Q3 2026	Q1 2027	2033
6	1,400	Q1 2028	Q3 2028	Q1 2029	2035

^{*} Solicitation 1: Incorporates the injection of a combined total of 1,100 MW at the Oyster Creek 230 kV substation and the BL England 138 kV substation.

^{**}Note that Solicitation Number 2 may result in the procurement of a target of 1,200 MW to 2,400 MW and will include its own transmission facilities for interconnection.

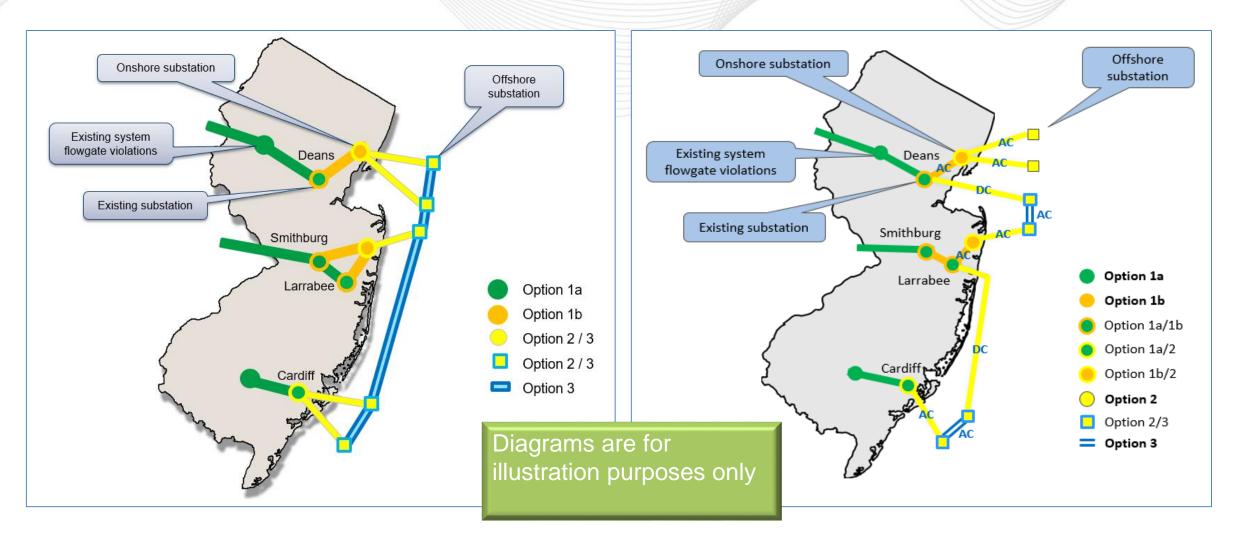


Problem Statements:

- ➤ Option 1a Onshore Upgrades on Existing Facilities
- ➤ Option 1b Onshore New Transmission Connection Facilities
- ➤ Option 2 Offshore New Transmission Connection Facilities
- ➤ Option 3 Offshore Network



Project Overview – Potential Solution Options





- Four separate problem statements for each of the four options
- Proposals will not impact requirements for first two solicitations
- Proposals can address the default or alternative POIs
 - Alternative POIs will only be considered if sufficient proposals are submitted to address all system needs created by alternative POIs
- PJM/NJBPU will combine full or partial proposals to form complete solution packages
- Proposal submissions should include any linkages with other proposals and impacts of selecting partial solutions



Proposal evaluation considerations

 Largest single contingency, reliability, constructability, cost, risk mitigation, environmental, permitting, experience, flexibility, market value, other metrics

Deliverables

 PJM proposal submittal template, BPU proposal supplemental data collection form, technical analysis files, diagrams and schedules, company information



- Address reliability violations on existing and planned PJM transmission facilities resulting from the injections at identified POIs
- Reliability criteria specified in the appendix of the Proposal Window Overview document
- Generator deliverability reliability violations identified for default POIs and provided in 2028/2035 Summary documents and Flowgate files
 - May not be applicable for alternative POIs
- Proposals must resolve one or more common reliability violations similar to typical RTEP Window proposals



- Address onshore transmission connection needs between the POIs and required new onshore substations, if any, which may include the following components:
 - New lines from existing substations (POIs) to onshore substations
 - Tie-in to the existing substations (POIs)
 - New onshore substations (if any)



- Address landfall connections and offshore transmission connection needs from onshore substations to offshore substations, which may include the following components:
 - Submarine cable from shore substation to the collector substation(s)
 - Offshore substation(s)
 - If no onshore substation is required, offshore substations could directly connect to existing substation (POIs)



- Address any offshore interconnections between offshore substations in Option 2 to:
 - Provide alternate paths to inject energy from offshore generators into the onshore transmission grid in the event of a reliability issue with a cable landing
 - Mitigate offshore or onshore system congestion
 - Provide other quantifiable market or reliability benefits



 PJM and NJBPU will evaluate the proposed solutions that address the posted public policy needs.

- Solution packages that will be considered may consist of the following:
 - Combinations of Partial and full proposed solutions
 - Solution packages that achieve less than the full 7500 MWs
 - Solution packages that use alternate POIs



The following are criteria that may be used in evaluating the proposals. Additional factors may be considered, including ones not explicitly stated in the problem statement documents.

- Achieves public policy needs
- PJM System Reliability
 - Solves criteria violations
 - Enhances system performance for extreme weather events
 - Enhances system for multiple-contingency conditions beyond the planning criteria



- Project Constructability
 - Proposal should demonstrate overall constructability of project,
 - Ability to finance
 - Ability to site
 - Proven technology
 - Achievable schedule
 - Ability to obtain necessary permits



- Project costs
 - Total cost to New Jersey ratepayers of delivering OSW
 - Innovative cost recovery solutions to minimize risk to NJ consumers
 - Cost and annual revenue requirement commitments
- Project Risk Mitigation
 - Demonstration of plan to mitigate risks that could increase costs, reduce value, or delay the development and delivery of offshore wind generation for New Jersey



Environmental Benefits

- Minimize impacts to marine, nearshore, and onshore habitats, listed species,
- Minimize impacts to cultural resources
- Facilitate reduction in emissions/improved air quality
- Potential benefits related to water quality, noise, aesthetics, tourism, and navigation
- Minimize impacts related to fisheries resources and the fishing community and industry



- Permitting Plan
 - Clear plan with identified key permits, permitting agencies, project schedule, mitigation plan to address likely permitting challenges, mitigation plan to address potential delays
- Quality of Proposal and Developer Experience
 - Quality of project documentation and proposal description
 - Discussion of commitments and benefits
 - Supporting analyses and benefits quantifications
 - Documentation of developer experience relevant to the successful implementation of the proposal



- Flexibility, modularity, and option value of solutions
 - Integration of options
 - Flexibility for future
 - Sequencing of work
 - Ability to accommodate future increases
 - Alignment to planned OSW solicitations

- Market value of offshore wind generation
 - Ability to maximize capacity and energy value of OSW generation
 - Mitigation of congestion and curtailment risk



- Additional New Jersey benefits
 - Decrease Load Payments
 - Resolve market congestion
 - Improve market performance (energy/capacity market)
 - Synergies with ongoing solicitations
 - Opportunistic replacement of aging transmission infrastructure
 - Creation of valuable transmission-related rights
 - Improve resiliency/redundancy
 - Avoid future costs
 - Local system benefits



- BPU Supplemental Data Collection Form
 - In addition to the typical submittal requirements for a PJM competitive solicitation, proposers must also complete and submit all the information requested in the BPU Supplemental Data Collection Form for evaluation of costs and risks to NJ.
 - The submitter may respond using the form or submit a separate document provided that it is clearly noted which question each response is addressing.
 - Proposers should provide a redacted version of the supplemental response if the proposer include confidential or CEII data.
 Proposers must adhere to M14F regarding redaction protocols



https://www.pjm.com/planning/competitive-planning-process/pre-qualification

Pre-Qualification for Designated Entity Status

Why Apply for Designated Entity Status

- While not a requirement to propose competitive projects, an entity must obtain Designated Entity status in order to construct, own, operate, maintain, and finance competitive planning projects.
- Apply for the designated entity status, by submitting a pre-qualification package to the Office of the Interconnection during the annual prequalification window, September 1 - September 30.
- Review our Evaluation Criteria PDF both pre-qualification packages and company evaluations.
- Email pre-qualification package to Proposal Window Prequalification.
- PJM will provide pre-qualification package receipt and assign a unique identifier for tracking purposes.
- Approved pre-qualification packages will be posted on this page. A company may provide a redacted version for posting.

Resources

Evaluation Criteria for Pre-Qualification
Package PDF

Email Pre-Qualification Package to PJM
Operating Agreement WEB | PDF

Manual 14F: Clean WEB | Clean PDF



Training Video | User Guide PDF Register for Community

- Entities must be pre-qualified in order to be eligible to be designated to construct, own, maintain and finance a competitive planning project.
- efforts to process the applications received outside the annual 30 day window and notify the entity as to whether it pre-qualifies as eligible to be a Designated Entity as soon as practicable.

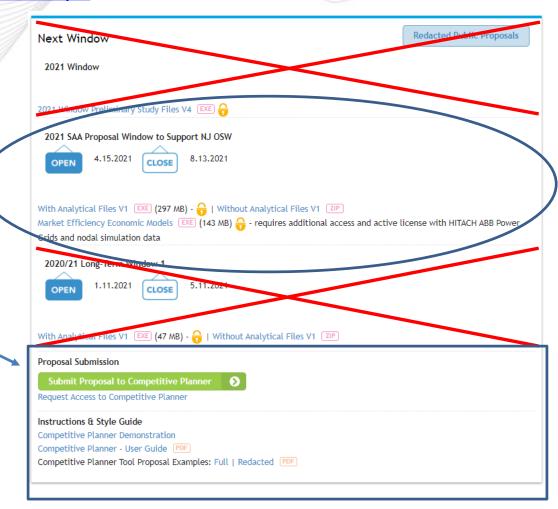


Competitive Planning Page

https://www.pjm.com/planning/competitive-planning-process.aspx

- Information for the 2021 SAA Window will be contained in the area in the oval to the right
 - Additional Q&A document will also be placed in this area when ready for posting

 Proposers are requested to review the documents to the right in the box in preparation for submission of information in the competitive planner application





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NJ SAA OSW Competitive Window



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V1 – 05/3/2021 – Original slides posted