



State of New Jersey  
DIVISION OF RATE COUNSEL  
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CHRIS CHRISTIE  
*Governor*

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*Lt. Governor*

STEFANIE A. BRAND  
*Director*

August 13, 2010

**VIA Hand Delivery**

Kristi Izzo, Secretary  
Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

Re: In the Matter of the Offshore Wind Rebate Program for the Installation of  
Meteorological Towers  
BPU Docket Nos.:EO08121062 and EO08121064

Dear Secretary Izzo:

Please find enclosed the New Jersey Division of Rate Counsel's ("Rate Counsel")  
Comments regarding the above-mentioned matter. Kindly date stamp the additional copy  
and return to our office. Thank you for your attention to this matter.

Sincerely,

STEFANIE A. BRAND  
Director, Division of Rate Counsel

By: Felicia Thomas-Friel, Esq.  
Felicia Thomas-Friel, Esq.  
Department of Rate Counsel

FTF/be  
c: Mike Winka –BPU (electronic mail)  
OCE Renewables Committee (electronic mail)

**STATE OF NEW JERSEY**  
**BEFORE THE BOARD OF PUBLIC UTILITIES**

<b>In the Matter of the Offshore Wind</b>	)	<b>BPU Docket Number:</b>
<b>Rebate Program for the Installation of</b>	)	
<b>Meteorological Towers:</b>	)	
	)	
<b>Fisherman’s Energy of New Jersey,</b>	)	<b>EO08121062</b>
<b>LLC – Request for Project</b>	)	
<b>Modification</b>	)	
	)	
<b>Garden State Offshore Energy, LLC –</b>	)	<b>EO08121064</b>
<b>Request for Project Modification</b>	)	

The New Jersey Division of Rate Counsel (“Rate Counsel”) appreciates the opportunity to provide comments on the request by Fisherman’s Energy of New Jersey, LLC (“FERN”) and Garden State Offshore Energy, LLC (“GSOE”) to modify their respective project plans for the installation of meteorological towers for the measurement of wind data and collecting environmental and ecological information necessary for the successful construction and development of an offshore wind power generation facility.

Rate Counsel requests that the Board defer its decision on this matter until more detailed information can be provided by both developers. Neither developer has provided any cost-benefit comparisons of their original proposals to the proposed project modifications. The only supporting documents that have been provided with this request for comment are a series of letters between the project developers and the New Jersey Department of Environmental Protection (“DEP”) and the U.S. Department of the Interior, Bureau of Ocean Energy, Management, Regulation, and Enforcement (“BOEM,” formerly known as the Minerals Management Service or “MMS”).

In fact, even the documentation associated with the correspondence is incomplete since there are references in the FERN letter to BOEM of certain “attachments” that have not been provided to the parties, and in the letter from BOEM to the Office of Clean Energy (“OCE”) referencing a “presentation” given to BOEM staff outlining the purported merits of the buoy system proposal. Rate Counsel believes that, at minimum, all available information should be provided to the parties for review and preparation of their comments on this matter, for which only five working days has been allotted.<sup>1</sup>

Rate Counsel believes that the current request, and any future project modification requests, should be accompanied by complete cost and benefit information. Ratepayers are providing at least \$4 million in direct subsidies for offshore meteorological testing and are entitled to a full and accurate account of how their contributions are anticipated to be spent, and how the proposed modifications are expected to change the overall costs of the program relative to the data and information expected to be collected from these installations.

Further, the Board should recognize that proposed project modification does carry some risk. The correspondence provided with the Request for Public Comment, as well as the Notice itself, recognizes that some of the ecological information needed to assess the impacts of a potential offshore wind facility may not be available with the newly-proposed system. The developers’ correspondence references the potential that an additional system may have to be installed at a later date to collect this information. The cost of this additional system, and the change in total cost arising from this potential outcome, has not been provided in the request for project modification, leaving ratepayers open to future upward cost risk. In addition, due to the importance of full and complete meteorological data to the future of these projects and to an understanding of the associated costs and risks, the project modification could have other impacts on ratepayers and thus should not be approved so quickly and without sufficient information.

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<sup>1</sup>Requests for comments on this matter were requested from stakeholders via the internet notification on Friday, August 2, 2010 at 3:42 eastern time. The due date for comments is August 13, 2010, 5:00 pm eastern time. No reasons for the expedited review period were provided.

Thus, Rate Counsel recommends that the Board defer action on FERN's and GSOE's request to modify their proposed meteorological projects given the acknowledged uncertainty associated with the proposed modifications, and the lack of any cost-benefit analysis. The Board should direct the Company to file more complete information before any project modifications may be considered.

If the Board approves the developers' proposed project modification, Rate Counsel requests that the approval be contingent upon each developer providing a certified cost-benefit analysis within 30 days of the Order approving project modification. Further, Rate Counsel request that monthly status reports be filled with the Board providing estimated and actual costs associated with the met station installation, and the identification of all data collection challenges and deficiencies relative to prior expectations.