



## Offshore wind developers jockey for New Jersey contracts

By Heather Richards

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A spinning turbine off the coast of Virginia Beach, Virginia. | Francis Chung/POLITICO

Three offshore wind developers submitted bids for power contracts in New Jersey this week, in response to the state's latest attempt to fortify its clean energy goals amid economic headwinds.

Atlantic Shores Offshore Wind, Community Offshore Wind and Attentive Energy each proposed projects to the New Jersey Board of Public Utilities (BPU) ahead of a Wednesday deadline. The bids are all for projects that could power hundreds of thousands of homes.

The state is seeking up to 4,000 megawatts of offshore wind power, as part of its effort to achieve a 100 percent clean energy economy by 2035. New Jersey also aims to install 11,000 MW of offshore wind by 2040.

The solicitation comes less than a year after Ørsted canceled its massive Ocean Wind project off the Jersey Shore, spurring the state to replace those lost electrons and bolster the confidence of the nascent wind industry. Inflation continues to hound projects and still threatens the White House's efforts to reach 30,000 megawatts of wind power in U.S. waters by the end of the decade.

The bidding war comes with high stakes for wind companies, which need state contracts to help cover the cost to build their wind farms. They are among a cohort of developers that also paid

record sums for wind leases in a competitive \$4.4 billion auction by the Biden administration two years ago.

The New Jersey BPU is using a consultant, Levitan & Associates, to review the bids and plans to choose projects by the end of the year.

The three companies disclosed limited details about their proposals this week.

Atlantic Shores — a joint venture between Shell New Energies and EDF Renewables — submitted a bid for Atlantic Shores Project 1 and Atlantic Shores Project 2. The Biden administration has already approved the projects, which could produce a combined 2,800 MW of power.

The company's proposal would mean bartering new terms for the 1,500-MW Atlantic Shores Project 1. That proposed wind array already won a contract with New Jersey in 2021, but it has been hit by the industry's rising costs.

The company has invested significant capital into building wind farms on multiple lease areas off the coast of New York and New Jersey.

Atlantic Shores Projects 1 and 2 would be located on a lease acquired during the Trump administration. Atlantic Shores also paid \$780 million for a lease in the New York Bight during the Biden administration's record 2022 sale.

"New Jersey is ready for offshore wind renewable power, and so is Atlantic Shores," Joris Veldhoven, the company's CEO, said in a statement. "Our proposal serves to expand and enhance existing strategic partnerships while growing our portfolio of economic development initiatives across the Garden State."

Community Offshore Wind, a partnership of RWE and National Grid, also submitted a bid to New Jersey this week for a 1,300-MW project.

The company bought its lease area in the New York Bight in the 2022 sale for a record \$1.1 billion dollars.

Community had won a provisional contract to build a 1,300-MW project for New York. But the state later canceled that contract after GE Vernova canceled a turbine design the company had factored into its project. Community has also submitted a bid for New York's fourth solicitation for offshore wind projects.

"Community Offshore Wind submitted a proposal to help achieve Gov. [Phil] Murphy's ambitious clean energy goals, while growing New Jersey's economy and continuing to build a local offshore wind supply chain," said company President Doug Perkins.

Attentive Energy — a joint venture between TotalEnergies, Rise Light & Power and Corio Generation — also submitted a bid to New Jersey this week. The company did not provide details of its bid by press time.

Attentive Energy paid \$795 million for its offshore wind lease in 2022. It already has an agreement with New Jersey for its 1,342-megawatt Attentive Energy Two project.

The company also lost a contract for its proposed Attentive Energy One project with New York due to the GE turbine cancellation.

### **Catching up**

Mark Magyar, director of the Steve Sweeney Center for Public Policy at Rowan University, said the bids this week are notably large, a sign that developers are looking for economies of scale.

The developers are also responding to New Jersey regulators, he said, who are trying to contract enough wind power by as soon as next year to fulfill their 2040 offshore wind target of 11,000 megawatts.

Reaching that goal became a little more difficult this winter when Ørsted canceled its Ocean Wind project, a 2,200-megawatt pair of wind farms planned off the coast of New Jersey.

The developer blamed inflation and the immature supply chain in the U.S. — Ocean Wind couldn't secure a vessel to install its turbines on schedule.

Roughly 60 percent of offshore wind contracts in the U.S. have been canceled since the beginning of 2023. BloombergNEF, a consulting firm, estimates that construction costs for offshore wind have risen by 60 percent since 2021.

To help replace the Ocean Wind projects, New Jersey awarded power contracts to two new wind projects in January: the 2,400-megawatt Leading Light Wind farm, developed by Invenergy and energyRe, and the Attentive Energy Two project.

Together those wind farms will add roughly \$6.84 per month to customer bills, once the projects come online, according to the New Jersey BPU.

New Jersey is also working on a fifth offshore wind solicitation for early next year. It had originally planned to hold that solicitation in 2026, but moved it up in the wake of the Ocean Wind cancellation.

"By accelerating New Jersey's offshore wind development schedule, we underscore our commitment to realizing the industry's full potential for the benefit of all New Jerseyans," said

BPU President Christine Guhl-Sadovy in a May announcement about next year's solicitation.  
"New Jersey's economic and environmental future depends on the bold action we take today."

**Correction:** *An earlier version of this story said the Biden administration had approved the Atlantic Shores construction and operations plans. The administration approved the projects July 2. An additional approval of the construction plans is pending.*

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