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**Business**

**N.J. utility weighs offshore wind farm**

Bids may complicate similar plan in Del.

BY AARON NATHANS • THE NEWS JOURNAL • MARCH 5, 2008

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New Jersey's largest power supplier is competing with Bluewater Wind and a group of commercial fishing companies for the right to build a wind farm off the coast of the Garden State.

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PSEG announced this week that its renewable generation division, and a partner company, Winery Power Holdings, has bid to build a 96-turbine wind farm off the coast of Cape May and Atlantic counties. The company said it would be 16 miles offshore.

Bluewater, which has been fighting to build a wind farm off the coast of Rehoboth Beach, proposed a 116-turbine wind farm southeast of Atlantic City. It would be at least 15.5 miles offshore.

Fishermen's Energy of New Jersey, a consortium of New Jersey commercial fishing companies, offered to build a 74-turbine facility off the coast of Atlantic City. An eight-turbine first phase would be built three miles offshore and could be used for environmental testing. The balance of the turbines would be built six or seven miles offshore.

The full bids, which were announced Tuesday to the New Jersey Board of Public Utilities, have not been publicly released.

The results of the bidding competition could have implications for the proposed wind farm off the Delaware coast. Bluewater proposed building a regional hub for offshore wind turbine construction in Delaware, but if a different company wins the New Jersey bidding, the hub may lose out on that business.

But Bluewater spokesman Jim Lanard said that's not necessarily the case. "While we're competing against each other, once that competition is over, there still could be benefits to both companies to share facilities" in case Bluewater doesn't win, Lanard said.

Delaware and New Jersey are among the first states to be actively pursuing an offshore wind farm; others include Massachusetts and Texas. There are currently no offshore wind farms in the United States, although there are 28 in Europe.

The New Jersey bids come after a 2006 recommendation from a governor's panel said New Jersey should launch a pilot project to study offshore wind's costs and benefits. The solicitation included a production incentive of \$19 million.

Unlike Delaware, New Jersey does not offer a long-term power purchase agreement with a utility, meaning the bidders would have to seek power purchase contracts on their own, or sell the power on the day-to-day open market.

In addition to supplying the most electricity in New Jersey, PSEG owns the state's largest utility, Public Service Electric & Gas. PSEG is considering adding to its Salem/Hope Creek nuclear facility. PSEG spokesman Paul Rosengren described both nuclear, wind and conservation as the company's efforts to combat greenhouse-gas emissions.

The wind bid is not tied to the future of any other project, including a nuclear project, Rosengren said.

PSEG does not have any buyers yet for the proposed wind power, Rosengren said. Although long-term power purchase agreements can remove some of the uncertainty of building a costly offshore wind farm, "at this point, we don't think that's a requirement," Rosengren said.

Matt Elliott, global warming and clean energy advocate at Environment New Jersey, said PSEG carries enormous clout in that state. Elliott said his group wants to make sure PSEG is serious about powering the state with renewable energy.

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New Jersey's largest power supplier has bid to build a 96-turbine wind farm off the coast of Cape May and Atlantic counties. The project, similar to the wind farm off the coast of Arklow, Ireland, above, would be 16 miles offshore.

**ENERGY HEARINGS**

Sen. Harris McDowell, D-Wilmington North, will hold the final two public hearings of the Senate Energy and Transit Committee this week.

The first meeting is today at 1 p.m. in the Joint Finance Committee Hearing Room on the ground floor at Legislative Hall. Representatives from the Public Service Commission, the Office of the Public Advocate, Constellation Energy and the Delaware Electric Cooperative are scheduled to appear.

The hearings wrap up Friday with a 10 a.m. hearing at the same location. So far, representatives from two of the independent consulting firms that reviewed a proposed contract between Delmarva Power and Bluewater Wind, as well as officials from Bluewater and Delmarva Power are scheduled to appear.

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"We want to be sure any of their renewable projects are not just cover for new, traditional power plants," Elliott said. "If they're thinking about energy in a different way now, how to power the state with renewables, we welcome them to the table. That's what we need more of from all utilities."

Lanard of Bluewater Wind said his company, too, does not have any buyers lined up for its proposed New Jersey offshore wind power, and is seeking utilities and "other large users of electricity." In New Jersey, there's no process to force a utility to buy the power like in Delaware, but Lanard noted, "it may be that government policies in the state are changed."

The company's development team has worked on 21 of the world's 28 offshore wind farms, currently all off the European coast.

The bid from Fishermen's Energy of New Jersey offers the expertise of fishermen who have access to boats and heavy offshore machinery, as well as docks and water access, Fishermen's said.

Andrew Gould, vice president of finance of Fishermen's Energy, based in Cape May, said he expects coastal [businesses](#) and institutions could find offshore wind power a good bet. Gould said the fishermen's group learned from Bluewater's experience in Delaware, where Delmarva Power has opposed the plan because the utility does not want to be forced to add the long-term power contract into its rate base.

Jeremy Firestone, an associate professor in the College of Marine and Earth Studies at the University of Delaware, said the fact that New Jersey is actively seeking an offshore wind farm is an indication that Delaware's on the right track. But, he added: "They may beat us to the punch."

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