

04 Mar 2008 12:52 EST =DJ Fishermen Submit Their Own Offshore Wind Proposal In NJ

By Yuliya Chernova
Of DOW JONES NEWSLETTERS

NEW YORK (Dow Jones)--Entering the fray of contenders interested in developing offshore wind in the U.S. is a group of New Jersey fisheries.

This Cape May, N.J., collective, formed into *Fishermen's* Energy of New Jersey LLC, or FERN, has submitted a proposal to the New Jersey Board of Public Utilities to build a 350-megawatt offshore wind farm in two phases, with the first phase being much smaller and serving as a test case. In full, the project would cost about \$1.5 billion to develop, Andy Gould, FERN's vice president of finance and a co-founder, told Clean Technology Investor.

The company proposes to sell directly to industrial, commercial and institutional end-users at prices that it will negotiate directly with them, FERN's chief executive, Daniel Cohen, said in a statement. "We believe our plan enables the local utilities to earn money by transmitting our power, but does not require the utilities to be responsible for setting the retail cost," he added.

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Offshore wind projects have raised objections from fisheries in the past, because implementation of such projects means fishing grounds are likely to be disturbed. Unlike farmers, for example, who can benefit from onshore wind projects by leasing their land, fishermen don't have such an option, said Gould.

Gould and Cohen first began researching offshore wind in New Jersey two years ago as a way of figuring out "how do we reduce the damage that the fishing industries will experience" from offshore wind, which was proposed as an alternative source of energy to be explored in the state by a governor's panel. But then the idea turned into involving fishermen so that they might actually profit from the industry, mimicking onshore community wind-farm development.

"Members of the commercial fishing industry are husbands of sustainable marine resources; they know how to handle heavy machinery in high winds and rough seas; they control key upland assembly docks, boats and water access, and they have hundreds of employees who work year-round in the extreme seasonal conditions in deep waters off New Jersey's coast," Cohen, who is also president and principal shareholder of scallops harvester Atlantic Capes Fisheries, said in a statement. He and Gould also pointed out that fishermen know the ocean bottom, a skill necessary for installing offshore wind equipment.

Backed by the constituent fisheries for now, FERN expects to raise further financing should its

project be selected by the New Jersey Board of Public Utilities. It hopes that would happen in the summer. The utilities board issued a competitive grant solicitation for an offshore wind farm of up to 350MW in October.

Other companies that are working on offshore wind project proposals in other states include Winergy LLC and Bluewater Wind, bought by Babcock & Brown Air last year.

Gould said the company is well financed and, while waiting to hear back from the New Jersey utilities board, will continue to build up its relationships with commercial buyers of the power from its potential project and investors, as well as continuing to refine its project engineering design.

It is focusing its attention on the first phase of the project. The larger second phase would be much more difficult to implement because of a few constraints on the market, Gould said. "There's no offshore turbine technology that's suitable to the U.S. grid right now on the large scale," Gould said. Some offshore turbines that have been proven in Europe are either not being sold in the U.S. at the time or are not suitable to the requirements of our grid.

The company is currently working with a turbine supplier, Gould said. He added that another constraint on the industry is the lack of appropriate vessels and the skill of using them to install equipment.

"All of our technology is sourced from well-known vendors - we're not proposing to use anything experimental," he said.

FERN has recruited about a dozen consultants from various industries, including a marine construction firm, project engineers, energy economists and a large energy developer to advise it on the project proposal it filed with New Jersey and to develop its overall business plan. Some of these consultants are interested in investing in either the company or the project, Gould said.

-By Yuliya Chernova, Dow Jones Newsletters; Yuliya.chernova@dowjones.com

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