



Save Long Beach Island, Inc.

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PRESS RELEASE

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A Call for No More Subsidies for the First Atlantic Shores Offshore Wind Project Pending A Critical Cost Examination

Background: In June 2021, the New Jersey Bureau of Public Utilities approved electric rate guarantees that included subsidies of up to \$7.7 billion for the first Atlantic Shores offshore wind project (Atlantic Shores 1). In addition, New Jersey electricity consumers will pay for certain additional costs to upgrade the transmission system to receive that power. In the wake of the New Jersey legislature acting to redirect around \$1 billion from New Jersey ratepayer relief to the developer of the Ocean Wind 1 project, and the subsequent comments reported in the press by the Atlantic Shores CEO seeking additional financial relief, we expect negotiations are underway to provide additional subsidies for the Atlantic Shores 1 project. Such proposals should be tabled pending a complete and transparent review of the New Jersey Master Energy Plan as it pertains to offshore wind and quantifying the total costs and benefits expected for the full planned offshore wind program.

Independent Cost Study: A recent study by Whitestrand Consulting LLC calculated that for the first project alone the costs would exceed the benefits by \$13.65 billion over the project life, including \$6.5 billion in losses to the New Jersey Tourism Industry and \$5.86 billion to the NJ economy due to the associated electricity price increases. The added cost to the typical residential ratepayer from the price subsidy alone would be \$865 over the first 20 years of operations. With such large costs associated with the current agreed plan, additional project subsidies should be avoided.

Elusive Benefits: Despite being championed as a major weapon in the fight against climate change and as a catalyst in creating New Jersey jobs, the project falls short on both fronts.

While it would result in a reduction in greenhouse gas emissions, the contribution to reduced global warming would be insignificant and many decades out. This is recognized in the draft Environmental Impact Statement (DEIS) – which says that Atlantic Shores projects 1 and 2 combined will have “negligible impact on climate change in the global context”.

The jobs promises are also misleading. The DEIS estimates that there will be 18,555 direct, and 22,193 indirect and induced **job years** over the life of the project. But most of those job years are during construction and decommissioning. Only 88 ongoing jobs are expected during the 30 years of operations. And per the DEIS as many as 65 percent of the construction jobs will be filled by non US workers. Using their full estimated job year totals the average number of full time equivalent workers in a given year is 1,198.

But this project will be the closest, most visible modern large project in the entire world – less than 10 miles off our pristine beaches. As such, based on the lead federal agency’s own study, it is projected to cost 1757 tourism jobs annually. And the increased electricity costs are expected to cost the New Jersey economy another 2,219 jobs annually. So the project may actually produce a net **LOSS** of 2,778 New Jersey jobs annually.

Considering only the additional ratepayer costs, the cost would be \$189,000 per promised job year. Including the impacts on tourism and the New Jersey economy that figure rises to \$1.1 million per job year. That’s a very expensive and inefficient way to create jobs. Additional subsidies would exacerbate that picture.

Another analysis done by Whitestrand on the full New Jersey offshore wind program, targeting 11,000 megawatts, predicts a total ratepayer subsidy for the projects and transmission upgrades in excess of \$100 Billion - not including federal and state taxpayer subsidies.

Conclusion: It’s crucial for New Jersey citizens to understand the full impact of the planned offshore wind projects before any additional subsidies are granted.

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