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PRESS RELEASE

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FOREIGN OFFSHORE WIND DEVELOPERS SEEK MORE US SUBSIDIES

TIME FOR A MORATORIUM AND REBOOT

Under the guise of saving the planet from climate change and providing long term economic growth the federal government and the State have been extremely generous to foreign wind energy companies with your money and environment. This generosity includes: federal tax credits, increases in electric bills, taxpayer funding of onshore support facilities, additional direct subsidies, a weakening of the environmental impact statement process, and the potential for your children to pick up the tab for removing the turbines, substations and cabling in the future.

Rising Costs and New Subsidy Demands. Recent events have confirmed that even with billions in Federal and state subsidies, the current NJ wind projects are not economically viable without additional electric bill or tax handouts, nor are they effective in addressing climate change.

- Offshore wind remains the most expensive form of renewable energy generation for the US. Already high costs have skyrocketed due to supply chain issues, higher interest rates and inflation. Orsted, the Danish developer of the Ocean Wind projects in NJ and in other states has taken a multi-billion dollar write down, reflecting reduced earnings expected in the U.S. It has also pushed back the operating date for Ocean Wind 1, its first NJ project, from 2024 to 2026.
- Similar financial headwinds are causing other developers to re-think their cost and schedule commitments, and they are doubling down with requests for more handouts. By threatening to walk away, the foreign wind companies convinced the governors of six Atlantic coast states to recently plead for more Federal tax credits, a new federal revenue sharing program, and a further acceleration of the review and approval process for offshore wind projects
- In New York, the British/Norwegian developers have requested increases of more than 50 percent on already high electric power prices for offshore wind projects there. The Atlantic Shores project off Long Beach Island, New Jersey, a joint venture of a Royal Dutch Shell subsidiary and Electricite de France Renewables, is waiting in the wings to request additional subsidies from NJ electric users and taxpayers.
- Bob Stern, President of Save LBI, noted that "Orsted is in Washington trying to wring additional tax credits for its projects. Not satisfied with a federal tax credit that returns 30 percent or even 40 percent of its capital cost, Orsted is seeking changes in tax rules to give it 50 percent of that money from US taxpayers. That would require waiving IRS rules to use US steel and other US manufactured components in its projects. Other foreign developers are also looking to waive or modify that requirement which was established to make sure American manufacturing jobs are created by offshore wind projects".

- Edward O'Donnell of Whitestrand Consulting has studied the economics of the NJ wind projects and notes that "the three projects approved thus far have access to more than \$25 billion of subsidies in tax credits and above market power prices. That's for 3758 megawatts of power. If the full 11,000 megawatts of the NJ Master Energy Plan are built, at ever increasing costs to rate and tax payers, I estimate the total subsidies will top \$100 billion."
- "If demands for new subsidies are approved, electric power rates *statewide* could rise at least 30 percent for residential, 40 percent for commercial and 50 percent for industrial customers for the full planned wind program. A typical household would pay more than \$9,000 extra for wind generated power over the more than 20 years these higher rates are in effect", O'Donnell stated.
- It's not just the direct costs that will impact the state's residents and businesses. "Studies have shown that even much lower across the board increases in electric rates would result in thousands of job losses and hundreds of millions per year in lost wages in the state" O'Donnell said. "Increases on the order expected for 11,000 megawatts of offshore wind would undoubtedly result in much greater economic pain, not just to the shore communities, but to the state-wide economy and hit those residents and businesses least able to afford it the hardest."

Alleged Benefits. Proponents of offshore wind acknowledge that there is a cost involved, but the Atlantic Shores project CEO considers it worth the price because of its "importance to climate change" and "economic and work force development benefits".

- But Bob Stern points out that the federal environmental impacts statements (EISs) themselves, e.g. the Vineyard Wind project EIS, say that the offshore wind projects will have "no collective impact on global warming".
- Bob adds that: "Proponents of offshore wind fail to present the true global scope and the time dependent nature of the global warming challenge. Despite scientist warnings over 50 years ago to world leaders to reduce carbon emissions, they continue to increase. In 2022 alone, China and India built 30,000 megawatts of new coal plants. Under the current predictions, some sea level rise is coming and the offshore wind projects would not reduce but only delay it by a matter of days. China is wisely using the revenues it makes from selling wind turbine blades to fund a massive shore protection program. Our money would be better spent on cost-effective ways to reduce carbon emissions that do not degrade our shores and kill marine mammals, and on preparing for future climate change impacts. "
- Also, according to John Deitchman, the Save LBI Issues Coordinator, "the touted job and economic benefits are overstated, primarily associated with the construction period. And it is unclear how many of the jobs will go to NJ versus foreign workers. The job and economic gains claimed for the Atlantic Shores projects, for example, will be offset by significant job and economic losses in shore tourism, often affecting lower income workers".

Time for a Reboot. The next few months will be a critical period for NJ offshore wind. There is seemingly no end to the subsidies being demanded. Prior State decisions on the existing NJ projects should be revisited as to whether they should go forward and at what cost, and Save LBI has asked for a rehearing of the Atlantic Shores 1 project in that regard. Decisions on the projects proposed for the next 4000 megawatts should be paused, and no additional electric rate or tax subsidies should be given until a full cost benefit analysis is done on the existing and proposed projects (as recently requested by the NJ

Legislature leadership) and an analysis is done of the financial returns being realized by the foreign developers (as requested by the NJ Office of the Rate Counsel).

These rising costs should prompt some serious reflection by our legislators. There are new wind technologies on the horizon. There are ways to pursue renewable energy that do not ruin the Jersey shore and jeopardize marine mammals. Save LBI will keep the public informed on these matters of extreme importance to your pocketbook and our environment. You can visit our webpage at www.saveLBI.org or our Facebook page at SaveLBI Community Group for the latest updates.

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