



Save Long Beach Island, Inc. (Save LBI)  
P.O. Box 2087  
Long Beach Township, NJ, 08008  
[www.SaveLBI.org](http://www.SaveLBI.org)

Douglas Burgum, Secretary  
U.S. Department of the Interior  
1849 C Street NW  
Washington, DC 20240

August 13, 2025

Howard Lutnick, Secretary  
U.S. Department of Commerce  
1401 Constitution Ave NW  
Washington, DC 20230

Scott Bessent, Secretary  
U.S. Department of Treasury.  
1500 Pennsylvania Avenue, NW,  
Washington, D.C. 20220.

**RE: COST SAVINGS IN CANCELLING THE ATLANTIC SHORES OFFSHORE WIND SOUTH AND NORTH LEASE AREAS**

Dear Secretary Burgum,

We at Save Long Beach Island, Inc. (“Save LBI”) wrote to you recently (July 30) to request that you rescind the construction approvals for the Atlantic Shores (AS) South projects and cancel the AS South and AS North leases. The purpose of this letter is to further highlight the huge societal cost savings (i.e. to federal taxpayers, to electric power users, and to the economy) that will result from cancelling these projects.

As previously noted in our July 30 letter and Petition, Save LBI’s immediate focus is on the Atlantic Shores South projects off the coast of southern NJ. Those have a Bureau of Ocean Energy Management(BOEM) approved Construction and Operations Plan and a Record of Decision based on the EIS for the projects, but have not yet started on-site construction because of an EPA remand of its Outer Continental Shelf Clean Air Act permit and daunting financial obstacles. We also are committed to stopping the adjacent Atlantic Shores North projects whose draft EIS is under development, but no permits have yet been granted.

Our first goal is to assure that AS South does not receive a project-enabling investment tax credit (ITC) by beginning construction before July 4, 2026. So, we are again requesting that you rescind the BOEM construction approvals so that no local construction occurs. We also ask that you coordinate with the Treasury Secretary to make sure that the Physical Work and Safe Harbor criteria in IRS Notice 2013-29 are strictly enforced, in accordance with the President's recent Executive Order of July 7, 2025 titled Ending Market Distorting Subsidies for Unreliable Foreign Controlled Energy Sources.

Longer term we are concerned that some years from now the current permits (if not rescinded now) would be resurrected using the current lease areas. Our second goal is to assure that any future development will not happen without a completely new ground up siting and permitting process. So, we are again requesting that you rescind the existing permits and cancel the leases. Our July 30 letter, Petition, and Enclosures, and our lawsuit complaint filed in D.C. Circuit Court provide a compelling rationale and the legal basis for such actions.

If AS South "begins construction" before July 4, 2026 it has 4+ years to be put "in service" and capture the ITC. If, however, AS South does not "begin construction" by July 4, 2026 then it must be placed "in service" by December 31, 2027 in order to capture the ITC. So, if construction on AS South does not begin until after July 4, 2026 the federal taxpayer will likely save at least \$5.3 billion in avoided tax credits (based on 30% of an estimated capital cost of the AS South projects of \$17.7 billion). The federal taxpayer will save an additional \$4.4 billion in ITC for the AS North projects. Absent the project enabling ITC, NJ ratepayers will save even more. An August 2024 study by Whitestrand Consulting, Economic Analysis of the Atlantic Shores South Offshore Wind Project, <https://whitestrandllc.com/wp-content/uploads/2024/09/EconomicAnalysisOf-TheASSouthProject.pdf>, estimates the added electric costs above market rates from the AS South projects alone at \$32 billion to NJ ratepayers. Due to the higher electric pricing and the negative impacts on the shore communities, that same study estimates the total net economic cost over the life of the project at \$72 billion (discounted to 2024 dollars). Avoiding those huge costs dwarfs any costs that may be incurred by the federal government in cancelling the permits and leases.

Section 43 USC 1334 of the Outer Continental Shelf Lands Act (OCSLA) requires the Department of the Interior to compensate a developer of oil and gas leases if it cancels a lease. But that section applies to oil and gas leases – not to the subsequent application of the OCSLA to other energy sources including offshore wind (43 USC 1337 (p) and 30 CFR 585.422). No such specific compensation requirement applies to offshore wind projects. If, however, the AS leases are cancelled and it were deemed by the courts to be a "taking" for which compensation is necessary, the fair market value of the leases would be dwarfed by the savings from the cancellation.

For background on this, note that the original lease (0499), which was subsequently subdivided into 3 separate leases (0499, 0570, 0549), was obtained at a price of \$1,006,240. We don't know what AS paid to the original lessee for the lease and what amounts they have further invested in the leases, but both (foreign) partners in the Atlantic Shores leases have each taken billion dollar write-downs in their investments on the AS projects and have reduced their commitments to these projects and to US offshore wind in general. Those write-downs show that those companies themselves have substantially devalued the associated leases based on current financial realities.

Furthermore, the AS projects do not have power purchase agreements in place that would guarantee them acceptable pricing for their power. Their latest proposal to the NJ Board of Public Utilities (BPU) was rejected. AS has now requested that it be released from its prior inadequate agreement on AS project1. So the current market value of those leases is unquestionably small in comparison to the billions of dollars in savings.

Such downside analysis confirms that the economic advantages of cancelling the AS leases far outweigh their continuing. And cancellation provides assurance to the general public that its long term interests are being protected to the extent possible. We again request that you rescind the permits on AS South and cancel the leases for Atlantic Shores South and North.

Thank you for the fresh common-sense approach you are taking toward these offshore wind projects. We would appreciate a response to this request so that we can better plan our activities.

Sincerely,

*Bob Stern*

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Bob Stern, President  
Save LBI Inc.  
[drbob232@gmail.com](mailto:drbob232@gmail.com).  
917.952.5016

#### **About Save LBI**

Save LBI is a not-for profit, non-partisan organization that has been active in ongoing litigation and other efforts to protect the coastal and marine environment from the senseless industrialization of our oceans. The organization is led by Beach Haven, N.J. resident Bob Stern, a Ph.D. scientist with experience in environmental planning and environmental law. He is a former manager of the U.S. Department of Energy office responsible for overseeing environmental protection related to energy projects and the Bureau of Air Quality Planning within the New Jersey Department of Environmental Protection (NJDEP). For more information on Save LBI and its efforts, please visit [SaveLBI.org](http://SaveLBI.org).

CC:

President Donald J. Trump  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dr. Kevin Hassett  
Director, National Economic Council  
1600 Pennsylvania Ave NW  
Washington, DC 20500

Director, Office of Renewable Energy Programs  
Bureau of Ocean Energy Management  
45600 Woodland Road  
Sterling, VA 20166

Walter Cruickshank, BOEM Director

1849 C Street, NW  
Washington, D.C. 20240

Division of Mineral Resources  
Office of the Solicitor  
U.S. Department of the Interior  
1849 C Street NW  
Washington, D.C. 20240

The Honorable Christopher H. Smith  
2373 Rayburn House Office Building  
Washington, DC 20515

The Honorable Jefferson Van Drew  
2447 Rayburn House Office Building  
Washington, DC 20515-3002