



Save Long Beach Island, Inc.
www.savelbi.org

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Residential Electric Bills to Increase by 30% Due to Offshore Wind Projects.

A new analysis by Save Long Beach Island, Inc. shows that New Jersey electric bill payers and taxpayers will bear heavy costs for offshore wind projects, notably a 30, 40, and 50% increase in residential, commercial, and industrial electric bills respectively for the full 11,000 megawatt program. In light of these new findings, Save LBI is calling on New Jersey policymakers to scrutinize the benefits and costs of each project proposal and the potential for future price increases.

The analysis found that just the first three offshore wind projects approved by the New Jersey Board of Public Utilities (BPU) will cost electric users (ratepayers) an estimated **\$17.7 billion** above market rates over their lifetime. This translates to an average cost of **\$2000** for a residential customer, **\$18,000** for a commercial customer, and **\$152,000** for an industrial customer.

The analysis also found that the full planned State program of 11,000 megawatts of offshore wind projects, could cost electric bill payers an extra **\$80 billion** over their 20-year lifetime. This translates to an average cost of **\$9000** for residential customers, **\$76,000** for commercial customers, and **\$639,000** for industrial customers. These predictions did include some price increases based on what developers have recently been requesting.

The program would increase electric bills by **approximately 30** percent for the average residential user, **40** percent for the average commercial user, and **50** percent for the average industrial customer. That burden would add to the already high rates paid by New Jersey consumers (the 10th highest in the nation, 26 percent higher than the national average).

In addition to the cost to New Jersey electric bill payers, the analysis found that offshore wind projects will also cost New Jersey taxpayers an estimated \$250 million for the Paulsboro manufacturing facility and an undetermined amount for the Salem County wind port.

Another roughly **\$27 billion** in federal tax credits are being provided to subsidize the foreign developers.

The analysis also estimates that the impact of the full program on the New Jersey economy and shore communities from reduced tourism will be in the hundreds of millions of dollars and thousands of jobs each year.

These very significant cost increases to New Jersey electric users also do not include the additional costs from increases in electricity use - such as for electric cars, electric stoves, electric water and space heaters. And they don't include the impact on the New Jersey economy from the associated electricity price increases which is also estimated to be in the hundreds of millions of dollars and thousands of jobs each year.

This analysis makes it clear that offshore wind energy is no free lunch. The cost of these projects will be passed on to New Jersey ratepayers and taxpayers, and they will have a significant impact on our economy and our environment.

"But there also is some hope on the horizon that some reality may be setting in", said Bob Stern, Ph.D., President of Save Long Beach Island, Inc. Six Northeast Governors, apparently facing up to the increasing state costs, recently sent a letter to President Biden asking for a new federal assistance program. Rhode Island recently rejected the Revolution Wind 2 project, due in part to rising cost. New York just rejected demands for bigger payments from four offshore wind projects. Yet New Jersey recently allowed an additional \$1 plus billion dollars in tax credits to go to one foreign wind developer rather than to electric bill payers. New Jersey may be faced with more, similar decisions very soon from anticipated requests from the Atlantic Shores project and others. "New Jersey policymakers need to draw a line as to how much of their constituent's money to sink into this", Bob added.

The analysis also found that the environmental benefits of offshore wind are overstated. The entire New Jersey offshore wind program represents just 0.03 percent of global energy consumption, which is rising by 1 percent a

year. It quotes a recent federal Environmental Impact Statement that the program will have a "negligible impact on climate change in the global context". Also the physical dynamics of climate change show that the emission reductions here will not reduce future sea level rise at all, but only delay whatever is coming by a very short time. "Offshore wind is not any solution to climate change," said Dr. Stern.

Save Long Beach Island, Inc. is a non-profit organization dedicated to protecting the environment and economy of Long Beach Island.

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